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DECEMBER 15, 1933

**The Magazine for  
MARKETING EXECUTIVES**

**What Price Crooked  
Industries and Sweat  
Shop Bargains? . . . .**

**By Saunders Norvell**

♦

**A Lumber Executive  
Appraises the NRA**

♦

**Significant Trends**

TWENTY CENTS

# Where else this

**L**OOK to California . . . its two great markets that, for sound, economic reasons, have more money than in many years.

\*Thousands upon thousands of carloads of citrus fruits have left California at *substantially increased prices*. There have been packed nearly 4,500,000 *more* cases of peaches than last year, and at higher prices. Greatly increased employment in thirteen out of fifteen basic industries. 1,500 tons *more* of walnuts than average. Increased prices for live-stock. 15 cents *more* per barrel for oil . . . and . . .

**NOW COMES REPEAL!** California, the great wine state, before prohibition sold 40,000,000 of the country's 50,000,000

\*(Statistics from Bulletin of Security—First National Bank of Los Angeles.)

## LOS ANGELES EXAMINER



**BASIC PAPER  
of the SOUTHERN  
California Market**

One hundred fifty-nine cities and towns whose distributing and jobbing capital is Los Angeles and whose Basic merchandising influence upon its 890,000 families is the LOS ANGELES EXAMINER.

NATIONALLY REPRESENTED BY RODNEY E. BOONE ORGANIZATION

# Opportunity?

gallon consumption of wine. *And now prohibition is OVER.*

The vineyards spring into renewed life . . . new tools, new trucks, new buildings, new labor, *new money to spend.*

Over 22,000,000 gallons of wines *are now* flowing from Bonded Warehouses . . . 20,000,000 *more* gallons of new wine in this season's vintage.

And this, remember, *in addition* to the customary sale of table grapes and raisins amounting to 245,000 tons and 880,000 tons respectively.

*With these remarkable figures in mind, can there be any doubt as to where to look for your two markets of first importance?*

## SAN FRANCISCO EXAMINER



### BASIC PAPER of the NORTHERN California Market

One hundred fifty-two cities and towns whose distributing and jobbing capital is San Francisco and whose Basic merchandising influence upon its 725,000 families is the SAN FRANCISCO EXAMINER.

NATIONALLY REPRESENTED BY RODNEY E. BOONE ORGANIZATION





### Stuyvesants Buy Serapis Even in '33

The most of us have been so short-money-minded since 1930 that we consistently overlook the rich opportunities to sell quality products. Exclusive features, craftsmanship, beauty of texture and color, atmosphere—all these are earnestly wanted by many wealthy people, who have the price and are willing to pay it.

Several weeks ago the B. Altman store of New York placed an advertisement in the *New York Times*, which, in less than 100 words, described a rare and exquisite Serapi carpet—the “only one of its kind in the world.” Its price was \$3,750. While the advertisement was largely institutional in character, its aim having been to sell Altman's prestige as a source for fine rugs—the Serapi was sold before noon the day the advertisement appeared.

A second advertisement was prepared, this time featuring another rare rug priced at nearly \$9,000. It, too, was promptly sold.

A salesman we know who has made a business of selling to the very wealthy says: “Never apologize for the price of a quality article. Be proud that you have an article of such excellence to offer. A true connoisseur doesn't want inferior goods at any price. He is interested only in what makes the product beautiful, or exclusive, or different. After all, few persons yearn merely to pile up a balance in the bank. They wish to exchange that money for things other people cannot have. If you put this feeling into your selling, you will seldom find it necessary to argue about price.”

### Tinting the Male Pate

We have every reason to believe that “Silver Threads among the Gold” and such things were written by men. The women are more inclined to agree with Neal Andrews, president, Eleanor Rowland, advertising manager and other enterprising people in Inecto, Inc., New York, that “gray hair means heartbreak age.”

The Inecto people are trying to persuade the women that “heart-break age ends with first application of Notox.” In fact, they are trying even to persuade some men.

Inecto Rapid Notox, which is the whole name, is a means of tinting the hair. Women have taken so kindly to it that it is now on sale in beauty shops, drug and department stores throughout this country, and in Europe. With such distribution, the company decided recently to start a radio advertising program, to win people with gray hair of both sexes. How to interest the women, their major market, and at the same time assuage masculine fears that tinting to overcome graying hair was not virile? This, in the best sales management style, was their problem.

Over 17 stations of the NBC-WEAF network



there now appears, from 5:15 to 5:30 on Sunday afternoons, one of a series of “Romances of Science.” Sketches of Charles Good-year, engaged in research in rubber, of Eli Whitney and the cotton gin, of Elias Howe, and Cyrus McCormick, and Robert Fulton, are appearing. Perhaps the inventor of hair tinting is, too.

And since romances of science are primarily masculine affairs, says Miss Rowland, men are listening, and some of them are seeking information on how to halt the oncoming years. About 10 per cent of those who write in are now men. (The proportion was infinitesimal before.) The correspondence which passes between Miss Rowland and typical interested prospects runs something like this:

Graying Man: Please send sample of Inecto Rapid Notox.

Miss Rowland: We don't send samples. You can buy a bottle at So-and-So's in your city.

GM: What color Inecto Rapid Notox should I buy?

Miss R: What color is, or was, your hair?

GM: Chestnut.

Miss R: Please send several chestnut specimens from your head.

Inecto Rapid Notox probably is the only radio program which receives samples from its listeners, instead of being forced to hand them out.

### The Weather Angle on Sales

One of the executives of the English J. & J. Cash Company once asked Frank Goodchild, president of the American company (which is entirely independent), how he “did it.” He referred to the fine sales record made by the company, and to the fine esprit de corps which exists throughout the organization.

Said Mr. Goodchild in reply: “There is one essential difference in the way we work, as compared with you: you work on the ‘master and servant’ principle; we, on the ‘elder brother’ principle.”

Which is a neat story in itself, but there are other stories in this company. Few need to be told that J. & J. Cash do an enormous business in woven names. Their mission is to keep college girls' undies from getting mixed, and to insure the Robinsons' getting their own sheets—not somebody else's—back from the laundry.

The business has been built up through more than two decades of small space magazine advertising. Most of the advertisements ask buyers to send 10 cents for a sample. Mr. Goodchild has a rule, which he seldom breaks, that a medium, to retain its place on the list, must produce enough dimes to pay for at least half the cost of the ad. Of the total income received in any year from advertising, half is added to a basic flat-sum appropriation, and put right back into advertising.

All advertisements are keyed, and it's a common thing, Mr. Goodchild says, for responses to come in from ads which ran from three to five years ago. A long distance record was established some weeks ago, though, when an order was forwarded to South Norwalk by the New York Post Office, which was directed to a Manhattan address which the company hasn't occupied for more than twenty years. As nearly as Mr. Goodchild could remember, the ad which produced the inquiry appeared about 1893.

A “little black book” kept by the president per-

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# LAUGHS ... *for Potash and Perlmutter*



# SALES ... *for Campbell's Soups*



**POTASH and PERLMUTTER!** Names never to be forgotten. For all America has enjoyed the high-tempered wrangles of the famous cloak-and-suit men. These characters grew to national popularity as they walked the pages of *The Saturday Evening Post*.

America laughed at Potash and Perlmutter. Women reached for Campbell's Soups when millions of copies of the *Post* spread the news about their wholesomeness, deliciousness and quality.

Through 24 years Campbell's Soup advertising has appeared in *The Saturday Evening Post*. In that time Campbell's has become the world's best known maker of soups. Their fame has grown—their sales have kept pace.

*The Campbell Soup Company has authorized the publication of this statement:*

"Week after week, year after year, we have advertised in the *Post*. It has always been our most important, our most dependable place to advertise.

"Through editorial power that is unique, and advertising power that is incomparable, we are convinced that we receive great value for the money we invest in the *Post*.

"There can be no stronger evidence of our belief in *The Saturday Evening Post* than our use of color pages in every issue."



THE POWER THAT BRINGS NATIONAL REPUTATION TO AUTHORS AND LIFE TO THEIR CHARACTERS IS  
THE SAME POWER THAT GIVES NATIONAL REPUTATION TO ADVERTISERS AND LIFE TO THEIR TRADE

## THE SATURDAY EVENING POST

"AN AMERICAN INSTITUTION"

# SALES management

Vol. XXXIII. No. 13 December 15, 1933

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sonally, records, day after day, the orders which come in. Beside the sales volume is entered a weather report. When a day's sales are compared with the same day's returns a year ago, the weather often has an important bearing on interpretation of sales trends, for a slump can often be ascribed to rain rather than to any serious turn in the nation's economic health. Mr. Goodchild never has to guess about this important influence on retail store traffic.

Practically every Cash sale results from a woman's visit to a dry goods store, and the ladies, as any department store man knows, do not turn out in droves when it pours. We wonder if other businesses might not find a running weather report could earn a regular place for itself on the sales sheet?

## Gracie Allen's Winning Ways

John McCormack's golden sales abilities for Vince mouth wash, mentioned in this department December 1, set us to wondering how George Burns and Gracie Allen, and Guy Lombardo's orchestra, might be faring with the radio fans at the same hour Wednesday night, as a result of the new Irish competition.



We asked W. L. Rubin, advertising manager of General Cigar Company, about it. George and Gracie, as you know, have been selling Robert Burns cigars on this period for nearly two years, and Guy and the other brothers Lombardo for nearly five. We had found from experience that, when two radio programs are broadcast over different stations at the same hour, we have to listen to one or the other, no matter how much we like both. (We had tried the experiment of mixing Ed Wynn and Nino Martini on Tuesdays, by shifting from Ed between the acts of his "operas," only to discover, usually, that we were also between Mr. Martini's own acts, and that all we had in either case was the orchestra.) So we figured that on Wednesdays there must be a duel to the death between Gracie and John. And since John had pulled all those Irish letters and requests for photographs and samples, Gracie must be low in appeal indeed.

Such, said Mr. Rubin, however, is not the case. Burns and Allen continue to be the third most popular program on the air. (We forgot to ask which were first and second, but figured that Ed Wynn and Eddie Cantor and the Baron must be up there somewhere.)

"Now," continued Mr. Rubin in his best declamatory manner, "we don't give samples on the Robert Burns program. We don't give anything. But do you know what sort of response we could get if we *did* give anything? Let me tell you. Just once did we give something. That was last March, when the Lombardo orchestra had been on the program four years. We conceived the idea of Gracie writing an anniversary book for Guy. (George Burns, who writes most of their stuff, and J. Walter Thompson Company, probably wrote it, but that does not matter.) We told the radio listeners that they might have a copy of the little book that Gracie wrote for Guy. Do you know how many copies of that book we sent out? Three hundred and seventeen thousand! Just from one mention. I ask you, in all the ether, has there ever been anything like that?"

## A Strain on the Family Tie

As all the world should know, the late Julius Rosenwald, genius who built Sears, Roebuck & Company to its high estate, left some millions of dollars for the education of the negro race. Trustees of the Julius Rosenwald Fund recently made a tour of the South to see how things were going.

Arriving at a negro school in southern Louisiana, a beneficiary of the fund, they found the children busily engaged in working out the mathematical intricacies of a large order on a mail order house. It had to do with bacon, corn meal, calico and the familiar requirements of the race but—

The order was on Montgomery Ward & Company!





● ● ● At last the capital goods industries are feeling the march toward recovery, and steel production has turned up after more than three months of decline. Such cities as Pittsburgh, Youngstown, Gary, and Birmingham are likely to be in the front rank of Bright Spot Cities in the coming six months. There is a better feeling in the steel centers—among both industrialists and laborers—and retail sales have already turned up sharply.

# Significant Trends

*As seen by the editors of Sales Management for the fortnight ending December 15, 1933:*

## The Pulse of the Patient

There seems to be a better feeling everywhere, a firm conviction that employment will increase, that sales and prices will continue upward, that the road is definitely up, even

though there may be slight stretches of level going and small declines.

● ● ● Repeal is a helpful factor, not alone in creating new employment and new revenues, but in improving the spirits even of those who seldom take a drink. The Government is giving employment to millions through its Public Works and Civil Works activities, and while these are costly measures, they are truly constructive and incomparably better for the morale of the people than handing out food cards to the worthy hungry.

● ● ● Just the other night we happened in a A & P store and stood at the counter beside a man in the thirties who looked as though he might be a skilled worker of some kind. He was making quite a number of purchases (and apparently he had been following advertising, for he specified well-known brands) and finally when the clerk totaled up his bill and told him that it was \$1.76 he reached in his pocket and pulled out a few bills and some small change. As he counted out the money he said to the clerk, "God, but you don't know how good it is to have money in your pocket again after a year, and to have a job. I'm with the Civil Works now." He picked up his bundle and marched out of the store with shoulders erect. Civil Works had given him more than a job and some money; it had given him confidence and self-respect.

● ● ● Since the first of October the corporate reports show 370 increases in net earnings against 185 decreases. Forty companies have increased dividends, as against 5 decreases; 41 companies have resumed dividends, while only 5 have omitted them; 7 companies have gone on a dividend basis for the first time.

● ● ● This extraordinary improvement in earnings must be embarrassing to those who claim that the NRA is stifling profits or that the Administration does not intend

to let industry make any profits. Mark Sullivan, in a copyrighted dispatch to the New York *Herald Tribune*, says: "I am sure the President has no notion of preventing profits in private business. He needs and wants these profits almost as much as business men may want them. The impression that the Administration is unfriendly to profits for private business comes less from the President than from subordinates in the Administration."

● ● ● November hotel figures show that business is becoming more active, or at least more aggressive. For the first time in four years, room sales in the nation's hotels recorded an increase over the preceding year—3 per cent. Restaurant sales gained even more than that, and with liquor and wines back the December figures should show an amazing upturn for this long-harassed industry.

## The State of Business

Much less talk and time were wasted during the fortnight on debating the subject of sound money, and more attention was paid to actual business developments, which were generally toward the favorable side. Confidence was restored not alone by improved statistical indices but by such factors as an impressive array of companies either resuming or increasing dividends, by the satisfaction expressed by several major industries with their experience in operating under NRA codes, and by a general belief that the President's recovery program is taking hold again after a lapse caused by over-speculation in the summer.

● ● ● The sign posts along the road are marked currently as follows:

**Steel:** Production, after a three months' decline, has recovered from 25 per cent of capacity to above 31, with increased automobile schedules and Public Works takings generating the upturn.

**Prices:** The Irving Fisher index of all-commodity wholesale prices held steady at around 71.5 of the 1929 normal of 100, and is within a fraction of the high of the year. The Bureau of Labor Statistics index reached a new high late last month at 71.7. The previous high was registered September 25 at 71.5.



**Bank Debits:** November figure for the country, New York City excluded, was 109.1 of last year; with New York City the figure was 111.5.

**Retail Sales:** Department store sales in November were 2 per cent larger than last year, Atlanta and Dallas districts showing largest gains. Both Sears, Roebuck and Montgomery Ward gained approximately 25 per cent over last year, and the fixed price variety chains made the best comparative showing of the year. Retail sales in New York stores during the first week in December reached a new high for the year.

**Construction:** Contract awards in November were at highest point since October, 1931.

**Securities:** After a slight sagging while Al Smith et al. spoke their pieces on sound money, the bond market strengthened, and industrial common stocks are within striking distance of the year's highs.

**Auto Output:** December production expected to be double that of November. First quarter prospects should be far above this year.

## The Best Sales Areas

The Brookmire Economic Service has made a nation-wide survey and picks the following city areas as offering the best sales prospects in the near future:

Akron	Louisville	Rockford
Albany	Lynn	St. Louis
Atlanta	Memphis	St. Paul
Baltimore	Miami	San Francisco
Bilings	Milwaukee	Savannah
Buffalo	Minneapolis	Scranton
Charlotte	Nashville	Seattle
Chicago	Newark	Sioux City
Cincinnati	New Bedford	Springfield, Mass.
Cleveland	Oklahoma City	Syracuse
Columbia	Peoria	Toledo
Dallas	Philadelphia	Trenton
Davenport	Pittsburgh	Tulsa
Denver	Portland, Ore.	Wash., D. C.
Ft. Worth	Providence	Wilmington, Del.
Houston	Raleigh	Worcester
Jackson, Miss.	Reading	Youngstown
Los Angeles	Richmond	

• • • Brill Brothers, in New York, who during recent years have been featuring unbranded suits, have announced that they are taking on the Kuppenheimer line. In that connection, an executive of the latter firm says that during the fall season they opened up nearly a hundred similar new accounts. "During the depression," he says, "many stores were busy buying up distress merchandise from manufacturers, many of whom sweated their labor, but they are now finding it more profitable from every point of view to return to the advertised brands."

• • • A tip on where the largest amount of Civil Works money is being put into circulation: first, look to the larger cities; second, to those cities where a large portion of heavy industries is located, or where white collar unemployed workers have been most abundant.

• • • Any man who goes to Detroit these days is given a big shot of optimism by the natives. The automobile experts have it figured out that about every other car on the road is on its last legs and must be replaced soon.

• • • Shipments of household washers in October were the largest of any October in the history of the industry.

• • • Flash, as Winchell puts it. PHILADELPHIA—payrolls are 16 per cent above last year. CHICAGO—November building permits increased over 1932 for the fourth consecutive month. CLEVELAND—pre-holiday retail sales are 16 per cent above last year. November building permits above '32. ATLANTA—based on early December sales, merchants predict the biggest Christmas business in three years. BIRMINGHAM—2,600 men re-employed last week in mines and steel mills. RICHMOND—tobacco growers' cash income will be double that of last year. DALLAS—store surveys show that many grocery and household products unit sales are running 25 per cent ahead of last year.

## Distilleries— and Spending

The purchases and commitments of the Schenley Corporation may give a clue to the money that will be started in circulation by the distillers. They have spent \$2,000,000 in modernizing their distilleries. They have employed an additional 600 men at Schenley, 400 at Lawrenceburg, 400 at Frankfort, 150 at their New York offices, 300 at their New York bottling plant.

• • • They have had delivered to them 12 million bottles and this will be increased to 50 million within two months. They have ordered 200,000 new barrels, and have an option on 500,000 more. They have ordered 60 million labels; 19 million caps and cups; 13 million boxes and cartons; 12 million bottle wrappers. During the first year of repeal they will buy 4,250,000 bushels of grain from the farmers.

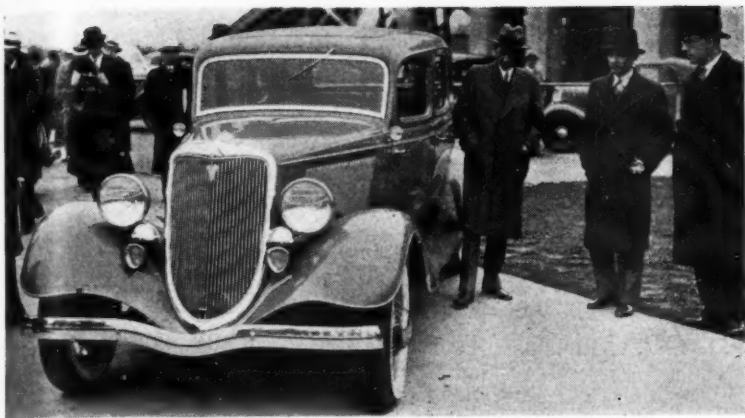
• • • American automobile makers are direct beneficiaries of our withdrawal from the gold standard and the present government plan of buying and selling gold. As a result of the depreciation of the dollar abroad, the natives of those countries find the biggest bargains of their lives in American cars. The effect of this is seen in the fact that export sales of practically all the motor companies are running several hundred per cent over a year ago.

• • • People don't patronize amusements unless they have money and are also in a spending mood. Therefore there is significance in the fact that the attendance at college football games increased 13 per cent over last year—and that since midsummer 1,500 moving picture theatres have reopened, and the number of closed theatres is only slightly over the normal number in good times.

• • • Railroads in the territory west of Chicago have taken a bold step in reducing fares to an all-time low. With the reduction, the elimination of surcharges, and the promise of faster, lighter, more comfortable cars they may be able to stop the drift toward busses, private autos, and the plane services.

• • • The domestic air transport companies have so far this year carried fewer passengers than in '32, but the fewer passengers have taken much longer trips. Passenger revenues have increased 18.2 per cent, while the number of passengers carried fell 9.5 per cent. It is said that the New York Central figures that it loses 300 passengers a day to the planes between various points on the New York to Chicago run.

Reprints of Significant Trends are available at 5 cents each.



**Henry's Offering:** Two of the three owners of the Ford Motor Company (the third is Mrs. Henry Ford) present the V-8 for 1934. Priced a few dollars more, its speed limit has been raised from 82 to 87 mph., and it will go two miles more on a gallon of gasoline. For once Henry and Edsel (p. 594) have started in aggressively to win the support of their dealers and salesmen.

# Who's Now Who



**Fighting Colonels:** Col. T. Russ Hill, (right) vice-president of Air-Way Electric Appliance Corporation, and Col. John Sutton, (left) vice-president of Mechanical Retailers, Inc., whose exploits are recorded, respectively, on pp. 581 and 592. Traveling 100,000-miles-a-year by air to keep in constant contact with a 4,000-man sales force, Col. Hill reports a 70 per cent increase in vacuum cleaner sales. Col. Sutton, on the other hand, sells cosmetics through Standard Oil stations—and razor blades to barber shop customers!



**Shell Sales Chief:** An enlarged sales force, due to NRA and to improving business this year, has brought about the appointment of P. E. Lakin as sales manager of Shell Petroleum Corporation, St. Louis. Mr. Lakin, who has been active with the Shell interests on the West Coast, will be directly under L. van Eeghen, vice-president in charge of marketing.



**Housewife Saver:** (Above) Years of persistent small-space advertising have added wing after wing to the J. & J. Cash ("woven names") factory at South Norwalk, Conn. Just a few weeks ago Frank Goodchild, president, announced that a new product, "No-So" cement, sold now with the name tape, will emancipate housewives from the job of sewing names to garments. (See page 566.)



**Trainman:** (Left) Every year 250,000 boys wrote Lionel Corporation, New York, requesting electric train catalogs. Salvatore Castagnola, advertising manager, thought this interest should be harnessed to the dealers' advantage. It was decided that the catalog would be free only if obtained from a dealer. Otherwise 10 cents. The plan was emphasized in advertising. Last year half a million boys went to dealers' stores for Lionel catalogs, and Lionel trains. Mr. Castagnola has just become vice-president in charge of all sales and sales promotion activity.

Ford photo by  
Wide World; Sutton by  
Dudley Hoyt



# What Price Crooked Industries and Sweat Shop Bargains?

IT is a common thing to hear one say—"the more I study codes the less I seem to know." As a matter of fact, however, the NRA has had the effect of not only making the executive study in a practical and definite manner the facts, figures and conditions of his own industry, but it has led him to study these conditions in other industries. While this enforced intellectual exercise has given many headaches, it is my judgment that it has also done a great deal of good in shaking business executives out of their own narrow rut and making them think on broader lines. Much information about specific industries has developed in meeting and conversations that has not been generally known, and has not been given wide publicity.

## Some Lines More Crooked

Those in a position to gather the facts have learned that there are vast differences among ethical conditions existing in various industries. While American business has frankly admitted in the code conferences that in almost every line of business destructive, unethical and unfair practices were the common thing, nevertheless, it is now known to all that *some lines were far more permeated by crookedness and general unfair practices than others.* These practices not only related to their standards of conduct in selling, but also permeated their entire establishments. In some fields not only were their salesmen not given a square deal, but all employees were ground down to the lowest possible wages and the longest bearable hours.

Notwithstanding the improvement that has been brought about by the codes, there still exist in many lines of business conditions of employment that very nearly mean "industrial slavery." Take, for instance, a young friend of mine who, after being unemployed for two years, secured a position in New York. What are his hours of work? They are decidedly irregular. Some days he reports at nine o'clock and is relieved at eight o'clock that night. Other days he reports at eleven o'clock and works until eleven o'clock at night. His daily average is twelve hours. When he is

expected to remain overtime he is not given any supper money. That, of course, would be all right if he drew a large salary, but his salary is only \$30 per week. This concern (it seems like a joke) conducts a business school for its employees. This young man is "allowed" to attend this school two nights a week, and out of his meager salary there is deducted \$1 a night for his instruction. The idea advanced, of course, is that when he becomes

---

BY

SAUNDERS NORVELL

Former President,  
Remington Arms Company,  
New York City

---

more valuable as a result of his schooling his income will be increased. Now it happens that this young man has already been advanced in the character of his work three times, but there has been no change in his salary. Why shouldn't this case be reported to the NRA? The answer is simple. This young fellow must have his job under any conditions. If he made any report, and if it were found out, he would certainly lose his job.

Actual cases of hardship and overwork and many other cases might be cited where the management of business has been and is on a very humane basis. What we wish to study in this article is what has happened to those industries where the policy of the employers has been to squeeze all the work possible out of employees on the lowest basis of compensation? There are industries that are well known as an industry as a whole to be sweatshops of human labor. The salesmen in these industries have become impregnated with the putrid atmosphere of the industry. Their ethics and standards are of the lowest. To take advantage of a competitor by some crooked deal makes a fine story and is a good joke. Here, for instance, is a sample of how one factory worked in this industry:

They all signed the code. Everybody was going to be good. Then the wheels all started under the new deal. One small factory in New England "was working under the codes all right," but they were working night and day. Instead of working with one shift, they were working three shifts.

How did this factory suddenly happen to have so much business? One of the officials of the industry association decided to make an investigation. After an outside investigation among dealers, he visited the factory and called for a record of their orders. This little factory had orders on hand that they could not possibly have filled in a year's time. All of these orders were pre-dated contracts before prices had advanced.

The official of the association who called happened to be the president of a large company. He gave this proprietor to understand that unless he straightened out his order files and put them on a normal basis he would drop his prices to a point that would wipe out all the profit in the industry. The small factory disgorged a very large part of the business they had accumulated. The head of this business, however, felt that he was very much imposed upon. *He could not grasp new conditions.* All the new regulations appeared to him as being theoretical and not practical. He prided himself upon being a "practical business man." He did business in a practical manner.

## Industries with Bad "Reps"

This particular industry is crowded with men of just this type. Most of them have worked up from the bottom. They have developed in what they call the practical school and that school had always been conducted upon the theory that the devil was ready and willing and did take care of the hindmost. The man who told me of this case happened to get into this industry by inheritance. He said frankly that no man in his right mind, who valued his self-respect, would ever voluntarily go into this industry. What he told me of the industry was interesting. He said that a generation ago it was conducted by men of high character, was profitable, that almost



everyone in the business made a fair profit and wages were good. However, in the course of time another class of men entered the industry, first in small shops and then small factories. As time passed their importance and influence in the industry grew. As these new men gradually monopolized the sales, every standard of the business—both in selling and in manufacturing and service—went down. The whole business became permeated with graft and rackets. No one could conduct a business in this line in a decent manner according to American standards.

Then what happened? No one with any self-respect would go into the business. No salesman of character would touch the line. Head men, sales managers and heads of departments in the industry were of the lowest types. As a matter of fact, a decent man attempting to do business on a decent basis would not have stood any better show in this business than the proverbial snowball.

Birds of a feather flock together, and what was once a line of business that appealed to men of character and men of self-respect today stands like a Pariah among the industries of the country. Of course, when the NRA code struck an industry of this nature it was not at first taken seriously. The executives of this industry said, "It is to laugh." The idea of these short hours! What possible use could their employees make of their leisure? How dangerous to give them so much spare time. In this respect, probably, they were right, because the grinding down

of these employees has made many radicals and communists among their number. It is dangerous, of course, to capitalistic society to have communists and radicals with a lot of spare time on their hands. The idea of these executives was to produce goods at the lowest possible cost and to sell them, of course, at the lowest possible prices. Many of them have got rich grinding down their employees, on the one hand, and underselling their competitors on the other.

### "Bargains" Dyed with Blood

Sometimes, for instance, if your wife or daughter happens to show you a dress purchased at a remarkably low price, just study the material and workmanship in this garment and then figure out the conditions under which such garments have been produced. Of course, the code has advanced the cost of manufacturing in such industries, and of course some of us in our homes are hearing complaints on the part of our womenfolk of the advance in the cost of clothing. Suppose, however, it were possible for us to see this clothing made from the buying of the material, the sewing by machines, to the hand work, to the salesroom, and to know all of the unhappiness and misery caused to human beings by 150 dresses at \$4.99, "as advertised". If it were possible to see this picture of the making and selling of these goods, would we not be willing to pay the higher price? However, the point involved from the standpoint of the NRA is to see that

these nigger prices go to increased wages and shorter hours and into decent standards in selling the goods.

It would be interesting if some movie producer would develop a picture under the title "Bargains" and on it depict the pictures of the manufacturing conditions under which these bargains are produced. I wonder how many of us would brag of our bargains if we knew the facts? Of course, we do know the facts, but we do not think of them. The facts, except for an occasional magazine article, are kept in the background. *The United States has never been bargain-conscious based on the cost in human happiness and life in producing the bargains.*

Of course, times and conditions are better. In 1820 London was regularly shipping orphans and pauper children to Sheffield, Nottingham and Birmingham, and other manufacturing districts, to be put to work in the mills. One of the conditions of these shipments was in every batch of twenty children *one idiot must be accepted.* This was the regular thing. These rich English manufacturers took labor conditions as a matter of course.

Slowly through the years the public's conscience has been awakened. Slavery is now illegal in all civilized countries. There are also laws in almost every civilized country regulating the use of child labor. While the world still moves slowly, yet when we review history we see that the world *does move*, and that, as the years pass, the standards of the world as they relate to labor have been gradually growing better.

This sweat-shop picture is twenty years old—but, with a change in clothes and hair-dresses, it might have been taken yesterday. Nor would the garment trade be alone to blame; the condition exists in dozens of other industries.



Photo by  
Ewing  
Galloway



Seizing upon the fact that almost every church in the country needs money, Adolph Goodwin has worked out a plan to help them earn through sharing profits in the sale of nationally advertised brands.

## Organizes 160,235 Churchwomen to Promote Advertised Products

A plan to persuade 2,500,000 families to confine their purchases, as far as practicable, to certain listed advertised lines is being projected by Goodwin Corporation, Chicago—Adolph O. Goodwin, president and originator—through women members of church societies of various denominations throughout the country. Ultimately Mr. Goodwin expects the plan to influence the sale of \$1,000,000,000 of products yearly.

With \$250,000 already spent for preliminary work since last March, he explains to SM, work will start soon on the printing of the Goodwin Plan catalog—2,750,000 copies—featuring the products of participating advertisers in grocery and drug products, wearing apparel, automotive and other lines—each product being exclusive in its particular field. These will be distributed among 2,500,000 families expected to be signed by that time. The remainder will be used by 250,000 "Good News Broadcasters"—church women mostly—in their sales promotion work to win further converts.

The set-up now consists of 237 district managers and 827 representatives in cities of 25,000 or more, who are supervising the women workers. The number of these workers, incidentally, Mr. Goodwin says, is rising by leaps and bounds. On October 1 the total was 9,616; November 1, 52,366; December 6, 160,235!

Manufacturers whose goods are listed will, on proof of purchase, pay for the service as follows:

To the "broadcasters," who may retain the money or pass it on to their churches or church societies, 2-per cent

of the retail cost; to district managers and district representatives, 0.5 per cent; for national institutional advertising, operating the clearing house of "evidences of purchase," etc., 0.5 per cent; to the central organization, for carrying on and profit, 0.5 per cent. Total 3½ per cent.

It is expected that hundreds of nationally advertised and recognized items will find listing—but only one in each specific class. Illustration—

Grocery Products—One leading branch each of ammonia, baking powder, cheese, coffee, flavoring extracts, gelatine, laundry soap, soups, spices, etc.;

Drug Products—One leading brand of baby food, cleansing tissues, face powder, cough drops, dyes, first aid supplies, foot remedies, etc.;

Automotive—One automobile, under \$1,000; one \$1,000 to \$2,000; one over \$2,000. Also one selected line each of batteries, gasoline, tires, etc.

The friendship and cooperation of newspapers everywhere is sought through the pledge of the manufacturers to buy advertising in newspapers at the point of sale to promote the further local buying of their products. This expenditure will equal 3 per cent of the wholesale sales of the goods sold in the district. Advertising is to be placed through the regular advertising agency of each manufacturer. Listing space in the catalog of 2,750,000 will cost the manufacturer at the rate of about \$5,000 a page.

Proof of buying will be accomplished by returning certain parts of the wrapper, or a label, or a cover from the carton, as designated. It is

illegal in 18 states to give cash refunds in this manner to buyers of products. However, this point of law is overcome by the fact that the payment (for commission) goes to a third party as recompense for services performed.

Mr. Goodwin, one-time newspaper writer and later an advertising executive with Critchfield & Company, William H. Rankin Company and MacManus, Incorporated, has announced associates as follows:

Silas Bates, treasurer, formerly president of Bates Valve Bag Company; Louis Gruber, vice-president, formerly merchandise manager, A. & P. stores, Chicago branch; John A. Stolp, controller, president of Walton, Joplin, Langer & Co., CPA's; Ignatius Barnard, vice-president in charge of sales, formerly with Critchfield; M. E. Bullis, formerly space buyer for Lord & Thomas; Miller Munson, formerly advertising manager for Hoover Vacuum Cleaner.

Manufacturers, Mr. Goodwin concludes, will be required to sign a "Creed of Social Justice," which provides—

- 1—Payment of a living wage for workers, which includes a wage permitting a degree of decent living and comfort and the possibility of providing for sickness, education, disability, unemployment and old age.
- 2—Reasonable working hours of labor; in no case more than an 8-hour day or a six-day week.
- 3—Decent working conditions.
- 4—No child labor.

### The Spur to Buy

Up to this time all efforts have been aimed at the organization of the forces for influencing sales. To this time no manufacturers have been signed. Many, it is reported, have made inquiry, but action on their acceptance has been delayed pending perfection of the "broadcasting" machinery.

The expected 250,000 "broadcasters," church women, will personally sign the planned 2,500,000 buying heads of families and will personally deliver the 2,500,000 catalogs. Signers will not pledge themselves to purchase only the goods listed.

They will be left free to buy any goods they may choose, anywhere, at special sales or otherwise, and they are told that it will be wise to ignore the competitive article in the catalogs when they can buy locally manufactured goods on an equal basis.

The spur to buy catalogued items, of course, lies in the fact that the 2 per cent commission, which will generally go to the church, will be paid only on these.



## How Much Salary for Leadership?

Axton, Biggest Tobacco Independent, Finds \$10,000-a-Year Plenty, for Him

"ONE of the troubles with business is that executives have been taking too much for themselves," replied Col. Wood F. Axton, president of the Axton-Fisher Tobacco Company, Louisville, to a proposal of a stockholder that he be given an increase in salary. The stockholder pointed out that though the company, through the spectacular sales rise of its Spud and Twenty Grand cigarettes, is now doing an annual business of more than \$40,000,000, Col. Axton, president and chief controlling factor, is receiving a salary of only \$10,000.

Said the Colonel: "If there is any raising to be done in this factory, it will start at the foot and not at the top. No business is safe and sound if the executives accept too much of a takeout. The stockholders are entitled to their share, but we will not milk the cow dry because there might be lean years."

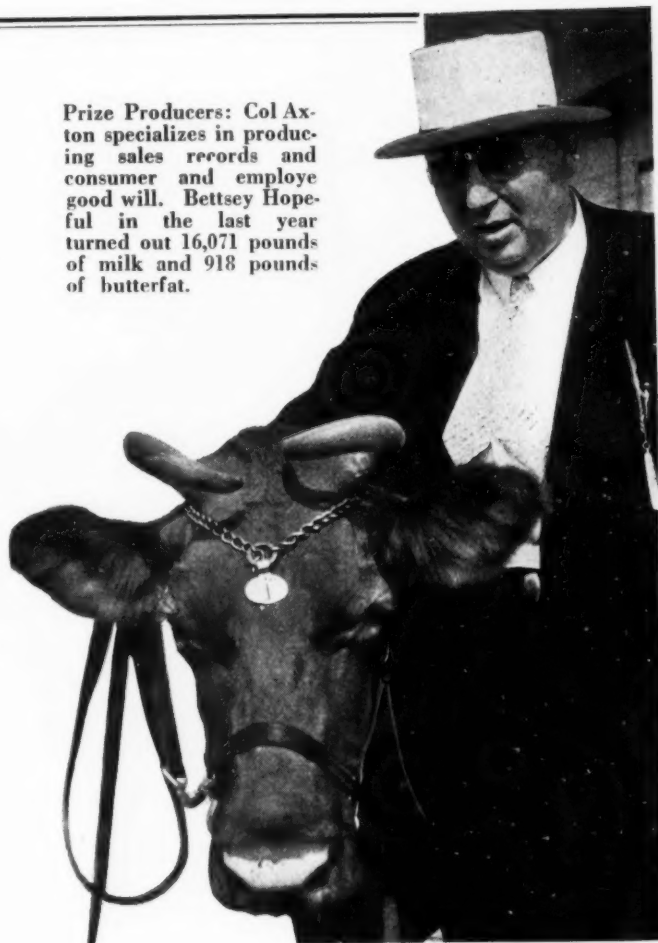
Col. Axton then announced his company's decision to "absorb the aliotment tax, and like it. We're not going to pass the tax on to the consumer."

"We are going to absorb the NRA costs. We are going to try by more efficient management and economy and more business to make up for it, and we are going to keep our ten-cent cigarette (Twenty Grand) at that identical price. It's a just tax and the farmer is entitled to it, and everyone should be glad he's going to get it."

Asking undivided support of his stockholders in the Recovery program, he pointed out that "in 1931 the tobacco manufacturers of this country earned \$148,000,000 net. That year they gave the tobacco farmer only \$69,000,000 for his product. It's no wonder we have depression when they take everything a man's got and still expect him to spend. I will guarantee there can be no such thing as overproduction if we give our workers enough to buy the products of their own labor."

No ne'er-do-well visionary, Wood F. Axton, former grocery salesman, started the business in Owensboro, Kentucky, in 1899, with George Fisher, another grocery salesman, by accepting payment of a customer's debt of \$60 in tobacco machinery instead of cash. An aggressive national advertiser on Spud cigarettes since 1928, the company's earnings in 1932 (when Twenty Grand was introduced) were the largest in its history. In the first nine months of this year, however, earnings exceeded those of all of last year. Axton-Fisher has just completed a new factory in Louisville, which is operating on three shifts and which has made possible the employment of 600 additional workers.

Prize Producers: Col Axton specializes in producing sales records and consumer and employee good will. Bettsey Hopeful in the last year turned out 16,071 pounds of milk and 918 pounds of butterfat.



Between his small beginnings and his present prosperity, Col. Axton was called on to fight rather fiercely for his business life against the tobacco "trust." He is still fighting fiercely cigarette's Big Four, and is becoming in the process an increasingly important "fifth" in rank. He is still, *ex officio*, in charge of sales—and was originally the entire sales "force"—though the title of general sales manager is borne by his younger brother, Robert L. Axton.

"If we'd had efficiency experts trying to tell us what to do around here," the Colonel said a few months ago, "Twenty Grand would never have started." The experts, he thought, would not only have increased the overhead but undermined the morale. He is equally glad to be free of bankers' jurisdiction. Twenty Grand is now said to be the sales leader in the ten-cent field.

Col. Axton has the build but not the conventional manner of the fighter, or the crusader. Six feet tall, weighing more than 200 pounds, he speaks slowly with a trace of Southern drawl. He is earnest and kindly, without being officiously "paternal."

He is interested in cigarettes, and in people. But he likes also to get away from both to his 160 horses and to Bettsey Hopeful. Bettsey is his prize Guernsey cow. She was named in part from a characteristic of his. And sometimes, at his farm in Oldham county, Kentucky, he pitches in to help improve the size and complexion of his red apples.





"It has nine lives," says Sales Manager Shaw, speaking of this display. "One of the best we have ever used, particularly in opening new markets . . . designed several years ago, it still retains its old wallop. It must be exceptional, to continue to do such a selling job."

**N**OXZEMA—the cream that got its start ten years ago on the beach of Atlantic City, where it soothed hundreds of sunburned shoulders—is getting ahead in Canada.

Virtually one million jars of Noxzema have gone over Canadian retail counters since first sales efforts in Canada were begun twenty months ago. And in reporting this excellent showing, Sales Manager J. M. Shaw points out that this is just about the size of the job they had originally planned to do in the first four years of the five-year-plan which was drafted to put Noxzema on its feet in the Dominion.

A great deal like the merchandising plan used in the United States in some ways, the Canadian sales plan utilizes the market wisdom gained by Dr. G. A. Bunting,\* president of the parent company, in spreading distribution gradually westward from the original territory on the Eastern Seaboard. Newspaper advertising is the backbone of the demand-stimulation machinery. The real "secret" of the remarkable pace of growth, however (and cer-

\*(SALES MANAGEMENT, October 24, 1931, carried the amazing story of Noxzema's growth in the United States. "Here's Another Sales Plan that Knows No Depression".)

## "Advertise, Merchandise, and Give the Trade a Square Deal"

—this is the simple formula which has sold a million jars of Noxzema in Canada since March, 1932. Thorough coordination of three standard selling forces—personal sales work, dealer education and newspaper advertising—has already accomplished more than the company had expected to accomplish in four years.

BY  
BRUCE  
CROWELL

tainly the lessons we would like to ding into the ears of other sales executives), is the integration of all selling forces—advertising, merchandising, personal sales work.

In discussing the Canadian campaign the management is careful to place emphasis upon the merit of the product itself. We may, however, in this story take that more or less for granted, merely adding that any product with the startling dividend record of Noxzema must be good. Let us proceed, therefore, to the first step in the sales-planning of the Canadian company—that of quota setting and sales forecasting.

An index based upon population, number of outlets, buying power per capita, and (later) volume of goods sold, is the starting point. The market-by-market plan of distribution extension is employed. All markets from Halifax on the East to Winnipeg on the West (in other words, all of the Provinces of Ontario, Quebec, New Brunswick, Nova Scotia, Manitoba and Prince Edward Island) are

now "open," with British Columbia, Alberta and Saskatchewan scheduled for the spring of 1934. National distribution will have been completed within about two years.

Because the basic sales policy has from the beginning called for a rather definite ratio of newspaper copy, window display and selling effort in the "market-breaking" formula (which might be termed the variable items of expense as compared with such fixed expenses as cost of merchandise, administration, delivery, etc.), an accurate breakdown of sales is charted month by month for every city. Sales are broken down by wholesale, retail and chain store channels. Then each territory's total sales cost is determined through proration of fixed expenses added to the above-designated variables. By careful regulation of these variables, sales cost is kept in close control, thus enabling the company, as Mr. Shaw puts it, "to squeeze the maximum from every one of our expense dollars on items which, if handled without such a control, so often involve needless waste."

Both to induce new users to try the product, and to persuade old users to buy the larger and more economical packages, Noxzema is featured periodically during the Canadian campaigns as a "special," at a price which repre-

sents a slight saving to the consumer. In all these cases, however, the dealer's profit is protected. In outlining this point of policy, Mr. Shaw commented:

"On these specials we take the 'licking' in price cut so that the item shows the dealer the legitimate profit ratio of a staple. This profit point is particularly worthy of mention in regard to Canadian markets, where it is more important by reason of the fact that dealers here are definitely price-protection conscious. And by price protection I mean established minimum retail selling price. They are enthusiastic about it to a very high degree. True, Canadian law affords the manufacturer very little, if any more, support along this line than laws in the States; there are no 'teeth' by which he can enforce such a minimum. Yet by virtue of the fact that the vast majority of dealers realize that price protection is profit protection, it is working to a more or less practical degree. Likewise, it means for the manufacturer closer cooperation and greater push because of the assured profit to the dealer. At present, for example, we have the same retail selling price from Winnipeg on the west to Halifax and Sydney on the east."

Free deals, judiciously controlled, have had a part in the successful introduction of Noxzema in Canada. Reason for this is to assure, through long profit, more complete distribution and closer cooperation, so that

the line is available everywhere when newspaper copy breaks. "By way of illustration," Mr. Shaw mentioned, "in Toronto, on our initial Canadian campaign last May, we secured by this method, out of a possible four hundred-odd retail outlets, all but five independent dealers or stores. In short, all of the outlets in greater Toronto, except these five, had merchandise on their shelves and counters prior to the break of newspaper copy."

Noxzema newspaper copy generally consists of a series of advertisements of from six to ten units of tested size, layout and arrangement, and appeals featuring various applications of the remedy. These are released in "waves," since several of the major uses for Noxzema are seasonal—sunburn, for instance.

### How Cooperation Was Won

Volume of copy is regulated as previously mentioned, on potential and actual demand, or estimated volume depending upon the stage of development of each market, with consideration given to the "fixed" factors as well as the variable factors that come to light as each market is worked or developed.

Especially emphasized by Noxzema is the need for getting window displays as the point-of-sale tie-up during periods when campaigns are under way.

Noxzema field men are more merchandisers than salesmen. Their principal job is to sell a sales plan—not an order of goods—and to persuade dealers to make full utilization of the sales helps offered. "We admit frankly our responsibility to the dealer to move merchandise for him," Mr. Shaw told SALES MANAGEMENT, "but we likewise throw right back on him the responsibility of doing his part through cooperation in all avenues, if he is to get his share of each campaign and build into larger units of sale and greater volume and profit in the future."

"Jobber cooperation is obtained through the fact that our men pave the way—do the missionary work and break down sales resistance—and by virtue of the large possible turnover, jobbers naturally follow through all along the line. They seem to like, too,

the fact that we strive to make our deals clean and decisive—no deal merchandise hanging around after a campaign is over."

Salesmen work on a "selective routing" plan. Distances are great in Canada, and traveling expense high. Therefore the men are routed so as to spend, in each market, time in proportion to the potential value of the market. Small town dealers are covered between jumps from one large city to another. The trade is covered three to four times a year.

Careful advance planning is especially emphasized. Again quoting Mr. Shaw: "To many good plans, we believe, have been consigned to the scrap heap, not because they were unsound or unworkable, but because at some point along the line, something not anticipated upset the apple cart, or something that should have been executed failed in whole or in part in execution."

### All Factors Must Dovetail

"No one of the factors or the vital parts of a campaign is sufficient unto itself, we think. It's the proper synchronization of all of them that makes for a creditable result. All points correctly timed to dovetail make the coveted 'perfect' program."

"This is rarely achieved, but we came pretty close to it last spring when, in Toronto, in the face of a high percentage of population on city relief, we pushed out 666 gross of a brand new item, from scratch, in less than five weeks. Subsequently this same system was applied to the Winnipeg market, where, in eight weeks, in a city of 220,000, we sold two hundred gross of one size, one item."

Noxzema's campaign doesn't make exciting reading, because it lacks "trick" elements. But this is the very reason the campaign is especially worthy of study. Too many products in other fields are attempting to develop freak appeals or odd approaches or trick offers, and neglecting the opportunity to build sales by old-fashioned straight merchandising. There is nothing new in newspaper advertising, or window display, or intensive sales work with the trade, but Noxzema makes the combination pay handsomely because they *put them together in the right way*.

The Noxzema folks have done the kind of a job, both in Canada and the United States, which bespeaks the merits of tested media wedded to a merchandising plan simple in every way except for its exceptional thoroughness and integration in execution.

We might call it Lesson I in marketing.



### Daylight killed romance because of her PIMPLY SKIN

Are you tired of daytime's revealing glare? Do pimples, blackheads or large pores make you flinch before the approving glance of every man you meet?

Don't allow poor complexion to kill your chance! Ordinary face creams and lotions cannot help you. But with the right *skincare treatment*, an exquisite, glowing skin can soon be yours. Therefore, prescribe this treatment—*intensive skin care*. It's Noxzema, the skin white, healing, greaseless medicinal cream. It corrects the cause of daytime blackheads, pimples, large pores, eruptions.

**Skin faults ended quickly**  
Noxzema's penetrating medication reaches deep down to the bottom of the pores—thoroughly purges away

all clogging, germ breeding, poisonous matter. Then, with the pores pure and fresh, Noxzema's soothing balms and gentle exfoliants *buff* off the irritated, congested skin texture.

Noxzema's healing kindness can make even the most badly blemished skin far clearer, smoother, finer—*only it has—straight!* Small wonder that over 6,000,000 women use Noxzema regularly for *real complexion health and beauty*.

Start on this "miracle" beauty treatment tonight. Apply Noxzema after removing make-up. Tomorrow you'll be thrilled to see definite improvement. Then use Noxzema nightly and as a base for your powder. Soon your skin will radiate the priceless beauty of health. Get a small, inexpensive jar of Noxzema at any drug or dept. store.

**Noxzema Cream**

(Left) "It takes newspaper advertising to create demand, but it takes carefully coordinated merchandising to cash it—the trick lies in the teamwork." So says Noxzema's Canadian sponsors. Newspaper copy themes are much like those used in the States.



STOCK MARKET CAMPAIGN			
MARKET OPEN FROM 9:00 A. M. TO 5:00 P. M.			
QUOTATIONS AND SALES TO <i>Sep. 30, 1933</i>			
SALESMAN	CAMPAIGN QUOTA	SALES TO DATE	Ratio <i>20</i>
<i>J. B. Jones</i>	<i>5,500</i>	<i>450</i>	<i>2.00</i>
<i>R. F. Brown</i>	<i>6,250</i>	<i>1,750</i>	<i>5.20</i>
<i>E. B. Smith</i>	<i>4,800</i>	<i>550</i>	<i>1.80</i>
<i>H. J. Green</i>	<i>6,500</i>	<i>1,200</i>	<i>6.50</i>
<i>Apartment House Sales</i>			
<i>Wm. White</i>	<i>12,000</i>	<i>3,800</i>	<i>18.25</i>
<i>Commercial Sales</i>			
<i>P. Mitchell</i>	<i>7,500</i>	<i>2,500</i>	<i>25.00</i>

STOCK MARKET CAMPAIGN			
MARKET OPEN FROM 9:00 A. M. TO 5:00 P. M.			
QUOTATIONS AND SALES TO <i>Sep. 30, 1933</i>			
BONUS	PARTICIPATION	CERTIFICATES	
<i>15</i>	<i>1.10</i>	<i>80</i>	<i>.23</i>
<i>2.50</i>			
<i>3.80</i>	<i>1.70</i>		<i>6.80</i>
	<i>2.05</i>	<i>1.65</i>	
<i>3.50</i>			<i>2.00</i>
<i>12.75</i>	<i>7.00</i>		

This "quotation board," posted daily, keeps GE men reminded that every new sale makes the bonus on every old sale bigger. If you want to find out how much fighting spirit your men have, which has never been really aroused, try a similar competition in your business.

## Why Everybody Fights for Orders When GE Runs a Contest

WHILE the stock market in Wall Street may soar or dip to fit the latest gold-buying tactics of Mr. Roosevelt, General Electric Appliance stocks are booming in the General Electric Stock Market Sales Campaign. Begun September 18, the campaign closes December 23. Approximately \$100,000 in bonuses plus a grand prize of a trip to Bermuda on the Furness Lines' "Queen of Bermuda" is offered to the leading salesmen of 1933 who gain the rank of Toppers.

Since last spring GE men have handled the full line of appliances instead of specializing on one product. The new Stock Market contest gives each of these products in the line the same basic bonus rate, but increases the rate in direct ratio to the sales of this product. Thus the "stocks" of six lines of products are carried on the "big board": commercial refrigerators, domestic refrigerators, laundry equipment, ranges, dishwashers and vacuum cleaners.

Though GE has run several major fall sales campaigns for its distributors, utilities and dealers, the present Stock Market campaign covers an unusually long period. This strategy was followed for a number of reasons: because salesmen need additional earnings during the fall and winter months, a longer campaign will permit


them to earn more; and, because the new campaign covers so many more appliances than usual, the sale period must be increased to insure a good sales job on each particular line. Bonus awards for the contest will be distributed after the close of the competition, half in December and half at the end of January, with the proviso that the recipient must be employed by his GE dealer at the time of distribution. This will tend to hold sales organizations together during a period when normally the loss of manpower is greater than at any other time. And, finally, special selling themes for the months of October, November and December have acted to help sustain interest and enable the dealer fully to

capitalize on seasonal sales appeals.


The basis of the stock market idea is a bonus certificate given the salesman on each sale. This certificate pays the salesman 2 per cent cash bonus for the value of his net sale provided the distributor's quota is realized 100 per cent. For instance, though par value of the salesman's bonus certificate is, say, \$2, he will get only \$1 at the end of the campaign if the distributor through whom he works has achieved only 50 per cent of his quota. By means of this feature, GE is actually able to operate a stock market, because as sales increase and come nearer the realization of quota, the value of the salesman's bonus certificate, or share, increases proportionately.

The importance of meeting quota is impressed on the salesmen in the dealer's office by means of stock quotation boards. They carry the quotation and sales to date, the name of the salesman, the campaign quota, the salesman's sales to date, and the day's quotation (or ratio of value of bonus participation certificates—that is, percentage of realization of quota for the distributor's territory). To stimulate individual rivalry in the dealer's sales force, weekly charts list the names of salesmen who are Bulls (salesmen ahead of quota) and those who are Bears (salesmen behind quota). So that each salesman can keep himself apprised of the rate of progress, a twenty-page sales record book is available. The first few pages of the book explain the significance of the bonus certificates. The remaining pages are devoted to columns wherein the salesman can record his sales, both for bonus certificates and for year-round sales leading to qualification for the Toppers Club. The book also contains space and columns where the salesman can translate sales made into bonus certificates and their monetary value as revealed by current quotations.

National interest in the campaign is being sustained by means of a weekly



**STOCK MARKET CAMPAIGN**


SEPT. 18 to DEC. 23, 1933



BE A BULL

Only the Bulls have  
a chance to be  
Toppers and go to  
**BERMUDA**



DON'T BE A BEAR

Week Ending 1933

<b>SELLING LONG</b> <small>(Salesmen Ahead of Quota)</small>	<b>SELLING SHORT</b> <small>(Salesmen Behind Quota)</small>
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Stock market lingo and stock market atmosphere put action and incentive into the contest bulletins for salesmen.



"Stock Market Journal," issued from the Cleveland headquarters of GE. This weekly journal gives the standing of distributors in terms of stock quotations. The leading distributor for one week serves as chairman of the Board of Governors of the Exchange. The ten leading distributors become members of the Board of Governors. To keep the flavor of the Market, leading sales managers of distributors compete for "junior partnerships." Leading supervisors try to achieve the rank of "floor trader," while the leading dealer in each distributorship can become a "resident partner." The leading salesman of each dealer is made the Chief Bull, while the poorest is made the Chief Bear.

Rex Cole, Inc., leading GE distributor, who sent almost half as many Toppers to Bermuda year before last as all the rest of the country put together, is endeavoring strenuously this year to sustain its record. While Rex Cole is carrying on no special contests in conjunction with the National GE campaign, it is tying into the national campaign two special sales promotion campaigns developed by E. Hamilton Campbell, Rex Cole sales promotion manager.

The first campaign localizes the national sales effort on GE ranges. Because of high electric rates in the major portion of the Rex Cole territory, only part of the sales force is using this campaign. In Staten Island, for instance, Rex Cole has made a deal with the utility to share the cost of installing the range. Salesmen make dates with their better range prospects to witness a lengthy cooking demonstration by a member of the Rex Cole home economics staff in one of the nearest branch offices.

This method of sales building has proved unusually resultful. Out of six good prospects who saw the demonstration on the evening of October 15, for instance, five asked to have a salesman call the next day and four bought.

The second special local campaign that Rex Cole has developed concerns dishwasher sales. To forty prospects supplied to each salesman, a letter and four-page broadside enclosure is sent announcing a thirty-day free trial offer of the dishwasher. A business reply card asking for a demonstration is enclosed with the letter. To any other names and to older lists of GE refrigerator users is sent a red and white postcard. To catch unqualified prospects a green and white "throw away" is used. Any Rex Cole salesman who sells three dishwashers during Stock Market Campaign gets a free trip to Bermuda.



Air-Minded Sales Management: Air-Way's Col. Hill holds a sales meeting beside his plane . . . he flew 100,000 miles last year to tighten the bond between company and salesmen.

## New Blood and New Stimulants Send Air-Way Sales Skyward

Elimination of the things-are-going-to-the-dogs men, more spirited sales campaigns and closer personal contact between headquarters and each of 4,000 salesmen, and the adoption of a policy not of proving to prospects that they can but that they *should* buy, were important factors in the ability of Air-Way Electric Appliance Corporation, vacuum cleaners, Toledo, in increasing sales 70 per cent in October over October of 1932, reports Col. T. Russ Hill, vice-president.

Equally important, Col. Hill points out, were policies of maintaining and even increasing prices during the depression, with proportionate increases in salesmen's commissions.

Though complete November returns are not in—the company operating on the 13-period-a-year plan—Carl A. Barrett, New York manager, tells SM that sales in his territory were 18 per cent ahead of November, 1932.

Air-Way also has 1,000 salesmen in Canada and Europe. In the US the leading areas are widely scattered: California, Colorado, Florida, Missouri, Illinois, Lower New England and New York; in Canada, the Montreal and Vancouver districts. The British Isles lead in foreign sales. "Some of these areas," says Col. Hill, have broken "all time sales records this year."

Now selling at \$89.50, the price of the Air-Way cleaner is 25 per cent higher than in 1929. This year the company increased commissions "another 8½ per cent." "We are spending more to manufacture our product," Col. Hill points out, "and have recently increased our factory payrolls 62 per cent."

"Naturally there is a reason for our

increased sales in all sections without a cheaper article or a cheaper price. There must be when everyone knows that the trend nationally has been down since August. There is nothing supernatural about that reason. First, we had to get rid of many experienced men. They had been good in this business, but they had been up and then down. They knew they were as good as ever, but they thought they had no chance under present conditions. We could not encourage them to tackle the seemingly impossible. With two exceptions, all of our managerial leaders today are new men.

"Second, we shortened our sales campaigns; built them around the 'spirit' idea; awarded liberal prizes to the heroes; swamped our men with morale-building bulletins and letters (not statistics); intensified personal contacts and gave loud recognition to every accomplishment. I have traveled over 100,000 miles by air this year, made sales meetings daily for three and four weeks at a stretch and sometimes two a day. I have written at least one personal letter this year to every one of our 4,000 men and have sent many letters and wires to the leaders in each operation.

"Third, we have stopped trying to prove that prospects can buy. We are now declaring that they *should* buy. What happens to the dollar or to any of the other weighty questions which trouble many salesmen does not matter. Sales will go on. People will spend what they have to spend. That is, they will spend it when someone really *sells* them something. We are doing that. That is the background of our morale. We know they cannot beat us."

BY THOMAS I.  
CORDDRY

*Sales Manager,  
Morgan Millwork Company,  
Baltimore, Maryland*

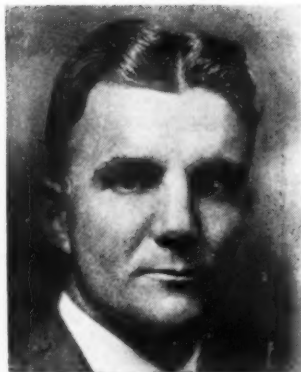


Photo by Bachrach

"Four out of five houses now built have architectural halitosis," says Thomas I. Corddry. Ten years ago, at the age of 26, he stepped into his job as sales manager of the Morgan Millwork Company, and in the ensuing decade he has had a major part in building his company into a leader in the woodwork field. The importance of design in selling is a pet obsession with him (SM, April 9, 1932, carried the story of the redesign of the whole Morgan line). To the building trade, especially, he holds out the picture of vast untapped markets to be reached by this means.

## A Lumber Man Makes a Cold Appraisal of the NRA

**I**N many divisions of the lumber industry, the NRA has already begun to function. A basic code has been adopted and signed by the President. In this code various commodity divisions are set up and defined. A Lumber Code Authority has been established, consisting of a committee with broad powers. The basic code itself, however, has little application to any one division except that it outlines the general scheme to be followed in the divisional codes.

These divisional codes are the real meat of the NRA. They prescribe the rules actually to be followed by individual business firms. They specify minimum price schedules to be adhered to; they classify various types of buyers and various types of sales and set up discounts applicable to each type. Hours of labor and wage scales follow the provisions of the basic code, but it is practically hopeless to compel adherence to those provisions without the operation of the divisional codes, because they provide the machinery necessary to detect and punish violations.

In the lumber industry a number of the divisional codes have now become effective. The immediate result is that everybody is thrown into a state of turmoil and confusion. Meetings are held in Washington, New York, Chicago, Cleveland, Spokane, and, in fact, all over the country. Everybody is trying to find out the correct interpretations of certain paragraphs. At one meeting in Cleveland three different men in Washington were called on the phone and asked how a certain clause was to be interpreted. Two of the replies coincided,

Thoroughly hard-boiled, utterly unsentimental in his attitude toward the Government's great Recovery experiment, this executive of the Morgan Millwork Company lists the "debits" and "credits" to his industry attributable to the NRA and finds lumber pretty well in the black.

but the third was diametrically opposite. Meanwhile, business firms are trying desperately to comply with every conceivable provision contained in the codes applying to them. They entertain a real respect for these codes. "With the force of Federal Law" is a phrase continually repeated.

Consider the case of a millwork jobber located in Philadelphia. In the first place, the basic lumber code applies to him. The Wholesale Sash & Door Association has jurisdiction over him. Regardless of whether he is a member or not, he must pay dues to this national association. He also pays dues to the Lumber Code Authority and to his regional group, which is simply a division of the Wholesale Sash & Door Association. The regional group maintains a paid secretary who has access to the books and files of all millwork jobbers in the area.

In case of dispute or alleged violation of the code, the case is placed before the secretary. If his decision is not accepted, it may then be placed

before a regional committee. If it is still not settled to the satisfaction of those concerned, it may be carried before a committee of the national association, next before the Lumber Code Authority, next before the NRA officials in Washington, and finally it may even go to the courts.

This sounds like a complicated procedure, but actually the secretary or the regional committee will settle practically every case within its jurisdiction.

The machinery necessary for the operation of the codes involves a considerable expense. Much money has already been spent to get things started. Some of the committee members have devoted almost their entire time for several months to the labor of drawing up sound codes, securing information and opinions and laying the groundwork for the future operation of the code. The actual expense, aside from increased labor costs, will amount to about three-tenths of one per cent of sales as far as the Philadelphia jobber is concerned.

There is little complaint on this score, however. If the code works there is no one who does not realize that his benefits will exceed the dues he has to pay.

Now there are a lot of other things the Philadelphia jobber has to consider besides the code applying to his particular branch of the industry. He has to study a great many codes—codes of manufacturers which affect his buying and his selling alike. There is a code of stock woodwork manufacturers (except screens). Another code on screens. A code on fir doors. A separate code on fir plywood. A code on white pine mouldings, oak



flooring, special millwork, etc. Some of the millwork jobbers even carry asphalt and asbestos roofing material. Some carry paints. They must observe the codes applying to each commodity.

This Philadelphia jobber must study all the codes applying to the goods he sells. For they not only affect his buying but his selling as well. The Stock Woodwork code, for example, sets a minimum price at which the manufacturers or anybody else may sell this commodity in a domestic market. The minimum is low enough from the standpoint of present cost, but some jobbers might well be tempted to sell below that basis—especially materials bought some time ago at a lower market than the present.

All the various codes contain minimum price schedules which the jobber must observe in his carload selling, but only the stock woodwork code specifically places a limit on prices of local shipments. These minimum prices, incidentally, are fairly well in line with the present market with no very startling deviations. Some prices will be lowered, others advanced slightly. Fir doors alone take a substantial advance. On the other hand, there are new provisions which will have to be studied and interpreted and which will have an important bearing on future sales.

### Savings All Along the Line

For example, the minimum price set for white pine mouldings is somewhat lower than the general market was before the adoption of the code. Of course the market immediately becomes the minimum schedule. But there are new rules and regulations. Special patterns take a higher price, and, since almost everybody uses special patterns of one kind or another, this will undoubtedly help the mills to offset the decline in the basic schedule. The result will be an inevitable trend away from special patterns and toward the regular stock patterns, with a consequent saving in expense for the manufacturers. Many of the special designs used in individual markets were unnecessary anyway, since stock designs would serve the purpose just as well, and, in some cases, the variation was so slight that you would have to use calipers to detect any difference at all.

This result is typical of the advantage that can be gained from co-operation. Everybody benefits. The manufacturer has a saving in expense. The jobber and retail dealer do not have to carry so many items in stock

—and, finally, the consumer pays a lower price.

There is a vast confusion existing at present and all kinds of questions to be settled, but there is a general confidence that the net result will be on the plus side. There will be some who will try to find a way to beat the game, but in the lumber industry, at least, there is a strong sentiment that the codes set up cannot be evaded. The whole affair is big enough so that no one person can feel—as he has, perhaps, felt in the past—that he prefers not to join the crowd. And now he has to join whether he likes it or not.

### Net Result on Credit Side

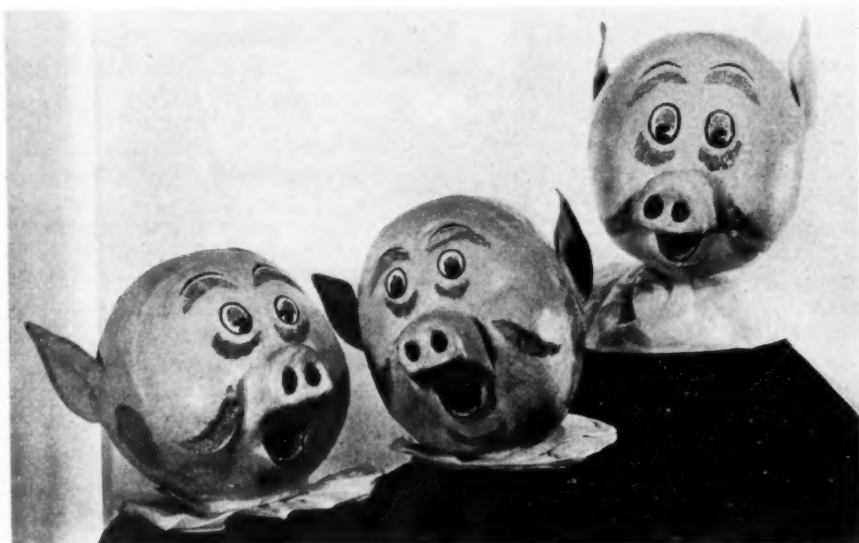
It is possibly true that the lumber industry has an advantage over some others, the advantage of having workable associations already in existence and the advantage of having secured for itself an intelligent code to start with. Still, when you consider the tragic chaos that prevailed a year ago, there is no question but that the future is more encouraging. The prospects ahead are infinitely better than they have been at any time in three years. While the codes may work a hardship now and then, they constitute a safeguard against the sort of cut-throat competition that existed only a short time ago. Almost everyone connected with the industry realizes that and therefore almost everyone is resolved to support the codes and make them work.

Thus the NRA gives the lumber industry a chance to examine its sit-

uation from a new viewpoint—the collective viewpoint rather than the individual—and then to proceed to eliminate by collective action some of the evils that have existed and to make positive improvements in methods of manufacture and distribution. There is hardly a single individual who has not been guilty of trying to gain some temporary advantage at the expense of the welfare of the group. Now it is becoming evident that the group-welfare is more important to each individual than any transient advantage he might secure for himself. The greatest virtue of the NRA is that it makes possible group action for group benefit.

Under the new codes it is evident that selling methods will undergo a radical, if gradual, change. The price factor has hitherto been a controlling influence. Where it has not been used as a direct appeal, it has still been the obstacle to overcome. Now the price factor becomes a side issue. Service, design, quality, promotional work, constructive selling—these factors now become more valuable. Intelligence in selling now has a better chance to get results. Obviously, this, too, is a change for the better.

Summing up the case, the NRA in the lumber industry has increased labor costs, will be fairly expensive to operate, has caused terrific confusion thus far. On the other hand, it takes the control out of the hands of the irresponsible "bandit" element and places it in the hands of the responsible, forward-looking element. The net result is on the credit side of the ledger.



Lord & Taylor's in New York and several other big-city department stores are keeping the b.b.w. from their doors this Christmas season by decking out employees in these t.l.p. masks which were created by Remo Bufano, famed puppeteer.



## Analysis of Costs by Type of Advertisement

	Number of Ballots	Cost of Space	Cost per Ballot Returned	Circulation	Number of Ballots Returned per M. Cir.
5 Color Gravure pages . . . . .	12,410	\$14,963.64	\$1.21	2,797,613	4.4
21 Color pages . . . . .	16,771	17,653.70	1.05	3,393,363	4.9
4 Color half pages . . . . .	2,920	2,588.80	.89	1,141,086	2.6
14 Black and White pages . . . . .	7,774	13,377.50	1.72	4,585,532	1.7
All Cities . . . . .	39,875	\$48,583.64	\$1.22	11,917,594	3.3

## \$1.05 for Newspaper Color Space Pulls Like \$1.72 for "B-and-W"

IN newspaper coupon pulling-power, "weekday" or "run-of-paper," color is almost twice as effective, for each dollar spent, as black-and-white, General Cigar Company, New York, is inclined to believe, in analyzing for SM returns from a campaign in 37 cities from coast to coast on behalf of the new 5-cent Van Dyck cigar.

Color gravure, dollar for dollar, the company finds, was almost as effective as r-o-p color on newsprint.

Preliminary returns in this introductory campaign, which was developed on a one-market-at-a-time basis, were mentioned in SM, August 15. At that time most of the far-western and middle-western markets had received the new Van Dyck and the campaign was being extended to the East. Full and half pages in r-o-p color and black-and-white pages had then been taken—color gravure pages being added in the East.

Cigar smokers were asked to name their preferences of six features of the cigar on a ballot in a corner of each of the initial advertisements. In appreciation the company would send each participant a "special gift package." The nature of the gift, not then disclosed, proved to be a package of three 5-cent Van Dycks.

Forty-four newspapers with combined circulation of 11,917,594 carried this advertisement, explains W. L. Rubin, advertising manager of General Cigar. The 39,875 ballots returned were at the rate of 3.3 per thousand circulation. The cost of all the space was \$48,583.64, making the average cost of each ballot returned \$1.22.

The most productive group, Mr. Rubin finds, was half pages in run-of-paper color. Four of these, at a cost of \$2,588.80, brought 2,920 ballots, at a cost per ballot of 89 cents. Twenty-one full pages in run-of-paper color brought the greatest number

of ballots—16,771. The \$17,653.70 spent for space in this group, however, brought the cost per ballot returned up to \$1.05. Mr. Rubin therefore is inclined to believe that half pages are relatively more effective than full pages, both in r-o-p color.

Though color gravure is the most costly form of the four, per thousand circulation, the expenditure of \$14,963.64 for five-color gravure pages with a total circulation of 2,797,613 brought 12,410 ballots, or at a cost of \$1.21 per ballot.

Compared with these three, Mr. Rubin points out, the full pages in black-and-white showed up unfavorably. Expenditure of \$13,377.50 for fourteen full pages in b-and-w (total circulation 4,585,532) produced 7,774 ballots, or at a cost of \$1.72 per ballot returned.

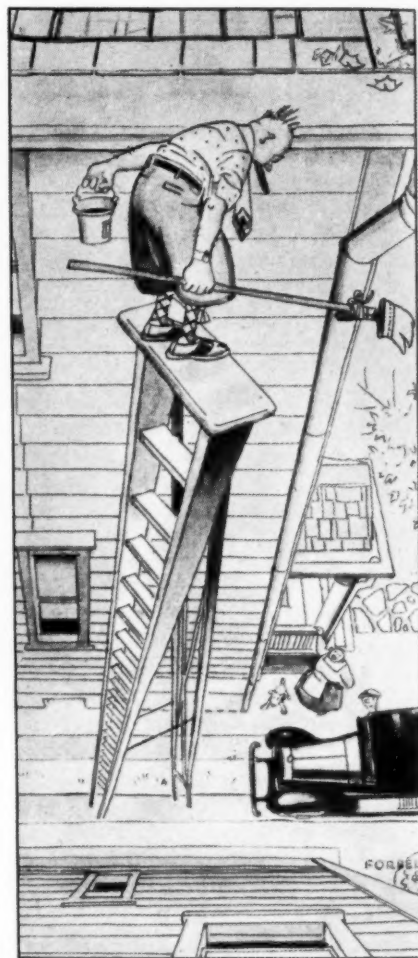
In addition, 1,000-line space was taken in two tabloid newspapers (black-and-white in the New York Daily News and color gravure in the New York Mirror.) Returns from these are not included in the summaries.

A succeeding advertisement in all these newspapers mentioned the smokers' choice in that area of the 5-cent Van Dyck's features. In the East, as in the West, "flavor" and "value" led—with almost equal percentages.

Since its introduction in the Middle West, South and East last spring, after a year as a leading seller on the Pacific Coast, Mr. Rubin points out, surveys conducted by newspapers among cigar outlets in their localities showed that the new Van Dyck ranks generally high. At the end of its first six months in Chicago, for example, it ranked second among all brands in unit sales. The cigar ranked first or second in San Francisco, Portland, Oregon, Denver and Des Moines and other cities, and third, after six months in Fort Worth. In some markets, however, such as St. Louis, keen local com-

petition has "pulled it down" in rank.

Long an important user of newspaper space, General Cigar attributes the success of its four brands—White Owl, Robert Burns, Wm. Penn and Van Dyck—primarily to this medium. In the introduction of the 5-cent Van Dyck as a companion cigar to the 10-cent Van Dyck, the company has been endeavoring to check carefully as to the value of newspaper advertising in color.



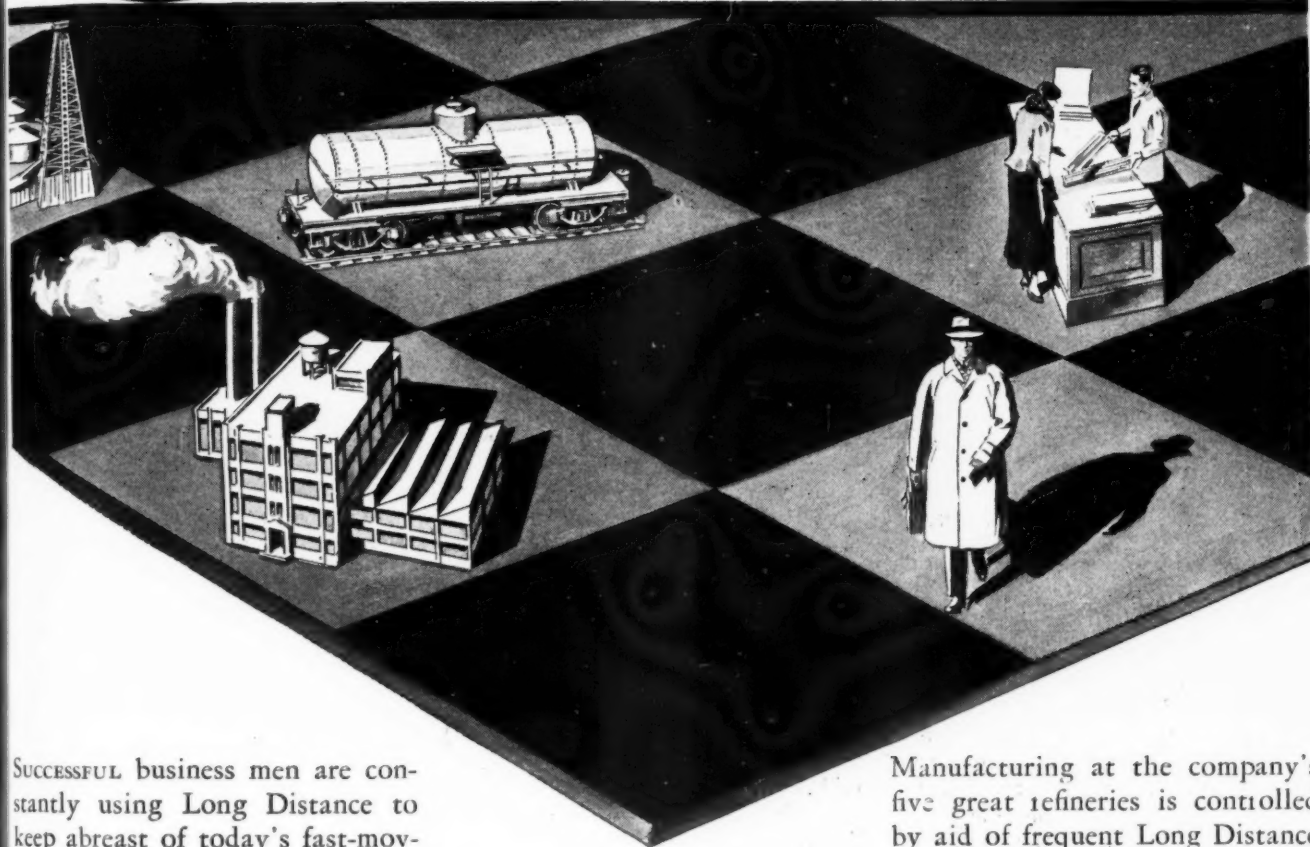
He went aloft to paint his roof,  
As brave as brave could be;  
But when he looked down from his perch,  
He gasped and said, "Dear me!"

For, as he shivered there and shook  
With fear beyond endurance,  
The awful thought occurred to him,  
"Why haven't I insurance?"

Aetna Casualty and Surety Company is letting its sales talk creep insidiously around to Father by way of the children, in the paint and crayon album from which this cartoon and verse were taken and which Aetna agents are distributing this Christmas. There are 13 other cartoons, with accompanying verses and color guides, in the album, celebrating the antics of the burglar, the hit-and-run motorist and other menaces to the man without insurance. And, though they're all funny, they've got us to wondering if it wouldn't be just as well to take out a little policy before we run over to help Uncle Ambrose mend his roof.



## *It keeps you in touch with every move*



SUCCESSFUL business men are constantly using Long Distance to keep abreast of today's fast-moving markets. They get quick action on important matters, because the telephone puts them where they want to be . . . at the psychological moment for being there!

Companies in every line of business tell us of the interesting, worth-while results they get from their *organized* every-day use of Long Distance. Here's what the President of the Standard Oil Company of Indiana says: "It would be difficult to keep our organization functioning efficiently without the close touch provided by the telephone. Long Distance really eliminates distance."

Every department of Standard Oil of Indiana relies heavily upon this swift, cost-cutting service. From Chicago, executives supervise the work of 30 sales divisions in 13 states; and the division offices in turn direct activities involving many thousands of retail outlets. When important announcements like price changes are made, the telephone plays a leading role.

Manufacturing at the company's five great refineries is controlled by aid of frequent Long Distance conferences with plant managers.

Distribution of millions of gallons of gasoline daily . . . with thousands of trucks and tank cars constantly on the move . . . is also directed largely by telephone.

Smaller companies find Long Distance equally as valuable as larger ones. A New England coal wholesaler says: "By telephone, our only limit is the territory we want to ship to."

All over America, the Bell Telephone Companies are helping business concerns to use Long Distance effectively and profitably. They will gladly do the same for you. Just call your local Business Office. You incur no obligation whatever.

### TYPICAL STATION-TO-STATION RATES

From	To	Daytime	7 P. M.	8:30 P. M.
Chicago	Milwaukee	\$ .50	\$ .40	\$ .35
Kansas City	St. Louis	1.15	1.00	.70
New York	Atlanta	3.00	2.45	1.65
San Francisco	Detroit	7.50	6.00	4.50





# Trade-Mark Racketeers Add to Liquor Men's Headaches

Because of the widespread goodwill attached to certain fine old names in the liquor industry, the hawks and gyps are busy hunting ways to appropriate these names to further the sale of spurious spirits. The troubles the liquor industry is having in unscrambling its old trademarks and copyrights should be a reminder to every other industry of the importance of a yearly check-up on these important matters.

BY JAMES TRUE

**P**IRACY of liquor trade-marks is already proving an expensive proposition for the liquor men. Many old marks that were famous as identifiers of fine whiskeys and wines for many years prior to 1918 have been purloined. Others have been placed under the necessity of having their validity proved, and another large group may have their selling power infringed by their adoption for similar goods under a different Patent Office classification.

## 5,000 Dead Trade-Marks

In discussing the subject recently, Clarence A. O'Brien, prominent patent and trade-mark attorney of Washington, emphasized the importance of protecting trade-marks of value, regardless of temporary conditions. When prohibition went into effect, he pointed out, about 5,000 whiskey trade-marks had been registered. Only about 35 of these were applied to medicinal products. Hence, during the dry years, many millions of dollars' worth of trade-marks in the field, with very few exceptions, were left to the mercy of chance.

"In the scramble to revive and protect many of the old whiskey and wine trade-marks," Mr. O'Brien said, "there is much confusion. In many cases, registrations have run out, and a surprising number of well-known marks never were registered. And, quite naturally, the chiseler is busy getting marks recorded, so that he may be in a position to be bought off later, when the legitimate owners show up.

"This does not mean that the original owners will lose their marks in any appreciable number of cases. A registration of a trade-mark is like the filing of a deed to a piece of real estate. It is merely evidence of owner-

ship that exists under the common law.

"You never know when some circumstance or event will revive the value of old dormant marks. The repeal of prohibition finds innumerable liquor and wine trade-marks, still well remembered and hence valuable, with registrations expired. These marks were registered under the acts of 1881 and 1905, very largely. Under the former law, the registration is good for 30 years. Under the latter, 20 years.

"If registrations under these laws are allowed to expire, the marks are considered as 'dead.' When we make a search we practically ignore them. They are generally considered as abandoned. Therefore, others may take them up and register them in good faith.

"This condition is encouraging to the chiseler and the pirate. Many have prepared to register valuable marks of the kind, and their registrations are secretly pending, ready for filing on the first day on which actual use can be legally sworn to."

## Foreign Registration an Aid

A simple means of circumventing the pirate was mentioned by Mr. O'Brien. Few American distillers have taken advantage of it. Our government, of course, recognizes valid registrations of all other governments. If a whiskey or wine trade-mark is registered in Canada, for example, it may be registered here. If the mark is not so registered, its protection here will have to wait for U. S. registration until use in this country can be sworn to and proved.

This ruling gives all foreign manufacturers of liquors and wines an advantage, and they are making the most

of it. Our own producers and importers seem to have failed in large numbers to protect their home marks through foreign registration.

Foreign manufacturers have been very much more alert in protecting their marks. Many famous old brands, such as "Gordon" gins, "Johnny Walker" and "Canadian Club" whiskeys, have been under American registration throughout the prohibition years, or their applications have been published for registration.

"American distillers and wine makers who have foreign registrations in force are fortunate," Mr. O'Brien commented. "Their trade-mark properties are safe, and all they have to do to conduct their business without danger to their marks is to file their applications for registration or renewal whenever such action is legal through repeal.

## Priority the Decisive Factor

"These manufacturers may take their reasonable time; but for all others time appears to be the essence of the contract. An early record date is most important under the circumstances. There will be many oppositions and interference cases, hinging on technicalities and border-line infringements, and most of them promise to be decided on priority of use.

"These and many other unusual cases, due to the after-prohibition rush to protect liquor and wine trade-marks, suggest a second kind of protection that should be utilized more frequently.

"In all cases where the design, color arrangement and other special features are important, the label containing the mark should be copyrighted. This class of protection is under constitutional law and has the same basis as the patent law. However, it should always be used in conjunction with trade-mark registration, for the courts have held many times that copyright is not adequate protection for a trade-mark, and that registration of a mark does not protect a label design.

"In other lines of business the danger of piracy is considerably less; but it always exists. If a mark has any potential value at all, it should be kept alive, whether it is always in use or not. If I were a manufacturer I would check up on my trade-mark properties every year and be sure to renew their registrations promptly. And I would give every mark of any distinctiveness of design the added protection of copyright. Foresight of the kind always proves itself to be invaluable from every viewpoint when a mark gets into trouble."



*Ready January 1st*

# SECOND CLEVELAND KITCHEN INVENTORY

- A complete inventory of branded products in 5,457 Cleveland kitchens.
- A 2% cross-section of all Cleveland Homes.
- Conducted by the Parent-Teacher Associations of Greater Cleveland.
- Data tabulated by the International Business Machines Corporation.
- Entire cost defrayed by the Cleveland Press.
- The inventory will disclose the shift in consumer acceptance of every branded food product on the Cleveland Market within the past 18 months.
- It will show the exact increase or decrease of chain store buying habit within the past 18 months.
- It will show the effect of lowered prices, larger packages, improved quality of each product in each class group of Cleveland's population.
- It will show the exact penetration and duplication of national magazines and newspapers among every class of Cleveland people.



These important data and thousands of other pertinent facts will be available to you on January 1, 1934. Write the National Advertising Department for an appointment to study the survey's application to your specific problem.

## The Cleveland Press

A Scripps • Howard Newspaper

NATIONAL ADVERTISING  
DEPARTMENT OF  
SCRIPPS-HOWARD  
NEWSPAPERS  
230 PARK AVENUE, N. Y. C.



MEMBER OF THE UNITED  
PRESS . . . OF THE AUDIT  
BUREAU OF CIRCULATIONS  
and of  
MEDIA RECORDS, INC.

CHICAGO . . . SAN FRANCISCO . . . LOS ANGELES . . . DALLAS . . . DETROIT . . . PHILADELPHIA . . . BUFFALO . . . ATLANTA

# Chains Grind Prices 1 to 13 %, FTC Study of Allowances Shows

**S**ALES made by 688 drug product manufacturers in 1929 and 1930 to 49 drug chain systems aggregated about 39 per cent of the total sales made by these companies to the chains, 58 drug wholesalers and 6 independent department stores—but the chains were smart buyers and secured 70 per cent of the total allowances made for volume, advertising, store promotion, etc.

Certain units were far more successful than others in securing allowances. In 1930 Liggett, for example, obtained an allowance of 13.69 per cent on purchases of 6.9 millions, while Walgreen secured 10.06 on purchases of 6.1 millions, being scooped by Owl with a 10.57 allowance on purchases of 1.8 millions of allowance-bearing merchandise.

R. H. Macy, commonly regarded as a hard-boiled buyer, average only 3.5 per cent in allowances, while the Katz Drug Company, operating seven stores which purchased approximately the same amount of drug items as Macy, obtained 8.12 in allowances.

Chewing gum and candy manufacturers were most generous in making allowances, followed in order by sundries, toilet goods, and drugs.

These figures are contained in a report made for the Senate by the Federal Trade Commission, and just released. The Senate asked the FTC to ascertain, among other things, "how far the rapid increase in the chain-store distribution is based upon quantity prices available only to chain-store distributors," etc. Reports covering tobacco, food, and drug products have been completed.

## 37 Per Cent Gave Allowances

The drug report shows that only 256 out of 688 companies owned up to making allowances to chain, independent and wholesale dealers, and that in 1930 those 256 manufacturers gave out of their total sales:

to chain stores an average of 10.05 per cent.

to drug wholesalers an average of 4.45 per cent.

to independent department stores an average of 7.35 per cent.

The allowances totaled 7.70 per cent on sales, and were confined to 12 per cent of all sales reported by the 688 manufacturers. The breakdown by size of allowances shows that 40 per cent of the accounts had an allowance of less than 5 per cent; 30 per cent of

the accounts averaged between 5 and 10; 15 per cent allowed between 10 and 15, and those carrying allowances of more than 15 per cent of sales amounted to another 15 per cent of the accounts.

**Frequency of Quantity, Advertising and Promotional and "All Other" Allowances:** Of the 4,560 instances of various types of allowances made by the reporting manufacturers to all distributors used in this study in 1930, 2,574, or 56.4 per cent, were allowances for volume or quantity, the others being divided between various forms of advertising and promotional concessions and "all other" allowances, which accounted for 32.9 per cent and 10.7 per cent, respectively, of the total number of instances.

## Which Chain Stores Are the Best Chiselers?

The Federal Trade Commission has analyzed the special discounts and allowances granted to chain stores by more than 1,000 manufacturers in the drug, tobacco, and grocery businesses. The years covered were 1929 and 1930. Reports show startling differences in the ability of various chain buyers to wring concessions:

	% Al- low- ance, 1929	% Al- low- ance, 1930
L. K. Liggett Company	10.28	13.69
Walgreen Company ..	9.73	10.06
People's Drug .....	9.16	9.17
Owl Drug Company..	8.06	10.57
Sears, Roebuck .....	10.20	9.48
R. H. Macy & Co. ..	3.50	*
Katz Drug Company..	8.12	*
A. & P. (tobacco) ...	1.07	*
Kroger (tobacco) ...	1.14	*
Unit. Cigar (tobacco)	6.49	*
Schulte (tobacco) ...	6.11	*
Av. drug chain (49)	8.84	10.05
Av. drug whole. (58)	5.35	4.45
Av. ind. dept. store (6)	7.66	7.35

\*Figure not published by FTC.

Measured by the number and proportion of instances, as well as by the number of manufacturers giving allowances and the number of distributors receiving allowances, volume (with and without quotas specified), miscellaneous advertising, progressive discounts increasing with volume, featuring and deals and newspaper advertising were of outstanding importance

among the various types of allowance for each kind of distributor.

As between the chains and wholesalers, the number of volume allowances with no quotas or increases specified was about two and one-half times as great for the 58 drug wholesalers as for the 49 chains. Proportionally the number of these straight volume allowances to other allowances was about twice as great for wholesalers as for chains. The independent department store showed a larger percentage of allowances of this type than either of the other two types of distributors.

The range in the rates of allowances to sales of manufacturers making allowances in 1929 was from 1.14 per cent obtained by the McNerney Drug Stores on purchases of only \$189, to a rate of 48.35 per cent on purchases of \$2,000 made by a department store chain, City Stores Mercantile Company, Inc. The next highest rate for 1929 was 16.67 per cent on purchases of \$400 by the Thrifty Cut-Rate Stores.

## Candy Makers Most Generous

Manufacturers of drugs showed the smallest average rate of allowance on total sales in both 1929 and 1930 with rates of 1 per cent and .98 per cent, respectively, toilet goods manufacturers showed the next higher rates with 2.84 per cent and 2.61 per cent, while manufacturers of sundries made allowances averaging 5.14 per cent and 7.05 per cent in the two years. Makers of chewing gum and candy made the largest allowances in 1929 with 5.32. In 1930 they gave 5.89.

Larger proportions of each of the groups of manufacturers, with the exception of sundries, made allowances to chains than to wholesalers both in 1929 and in 1930. The rates of allowances on total sales to chains from each kind of manufacturer exceeded the rates of the wholesaler allowances by substantial margins in both years and, also, to a greater extent, the rates of the independent department stores. Generally speaking, the rates of allowances on sales of all reporting manufacturers were considerably larger for the drug chains than the department store chains, the most notable exception being the 1929 allowances for the toilet goods manufacturers. Of the wholesalers the McKesson and cooperative groups usually showed higher rates of allowances on total sales of each kind of manufacturer.

In 1930 large numbers and proportions of total allowances made by each kind of manufacturer were in excess of 10 per cent on sales. This was particularly true of the chewing gum and candy manufacturers.

# Significant News of City Markets

[There's a new deal all around. A lot has happened since '29. We recommend the timely market facts under this heading as a basis for sales planning, special drives, test and localized advertising, advertising appropriations, leads for salesmen, quota setting, etc. The facts are gathered by SALES MANAGEMENT in conjunction with the newspapers which dominate these important independent market centers. Population: 1930. Districts are A.B.C. divisions.]

## Troy, N. Y.

City Zone ..... 119,324  
Trade Zone ..... 204,447

For the first 10 months of 1933, among Troy dailies, the *Troy Record* carried:

Almost 99% of all gasoline, oils and greases line—

Over 98% of all soaps and washing powders line—

Over 80% of all women's clothing line—

Over 75% of all drug store line—

75% of all national food line—

Over 63% of all department store line—

Over 62% of all men's clothing line—

(Authority: De Lisser Bros., Inc., N. Y.)

Long before the A. B. C. was founded, it was the policy of the *Troy Record* to publish daily its average net paid circulation figures. It continues to be the only Troy newspaper to follow this custom—the only A. B. C. newspaper in Metropolitan Troy which, according to exhaustive survey, has three times the net paid circulation of any other paper in its territory.

The Lewis Store (men's clothing), an exclusive advertiser in the *Troy Record*, reported the best 15 days' business in its 50 years' history, in November.

Three-fourths of all the paid Classified ads appearing in Troy dailies are printed in the *Troy Record*.

There's no better Major Market in New York State—no better territory in which to prove a product or a merchandising plan than Metropolitan Troy's 119,324 population.

Metropolitan Troy, by A. B. C. definitions, includes Troy, Watervliet, Cohoes, Green Island and Waterford, having a total population of 119,324—thoroughly dominated by *The Troy Record*. Circulation (A. B. C. 12 months ending 9/30/33) 22,986. City Zone 78.7%, Trade Zone 18.2%, All Other 3.1%. Flat rate .07. Representatives: Chas. H. Eddy Company.

Adv.

## South Bend, Ind.

City Zone ..... 132,823  
Trade Zone ..... 314,780

Since July 1 business has improved 18% and the economic curve continues upward. . . . Department store business has increased 17% and payrolls 20% to 40%. . . . Retail collections have increased 30%. . . . Food dealers report trade volume increases ranging from 10% to 57%, with an average of 15%. . . . Utilities output is 17% greater than November, 1932. . . . Home occupancies are 40% greater than six months ago. . . . New and used car sales for November three times greater than last year. . . . Mishawaka reports 67% increase in employment. . . . The entire South Bend market is improving.

This responsive market easily and economically reached through *Tribune*—exclusive A. P. and U. P. member in South Bend—leads in circulation and advertising lineage. Evening circulation 31,161. Representatives: Story, Brooks & Finley, Inc., New York, Philadelphia, Chicago, Cleveland, San Francisco.

## Peoria, Ill.

City Zone ..... 104,969  
Trade Zone ..... 210,000

An industrial expansion totaling over \$6,000,000 is under way in Peoria, including four distilleries and four breweries. Over 2,500 men are now employed on these industrial projects and at the present outlook this figure will go even higher.

The Peoria county quota for the Illinois Work Relief program is 3,000 men to be taken from relief rolls and the unemployed. This will practically eliminate unemployment in Peoria.

Peoria retail trade is brisk, with all types of stores reporting gains.

All statistics point to Peoria as the "Nation's Bright Spot" and a number of prominent national advertisers have placed metropolitan size schedules in the *Journal-Transcript*.

Peoria's leading newspaper, the *Peoria Journal-Transcript*, is read in "4 Out of 5" *Peoria Homes*, representing, by thousands, the largest group of buyers available in Peoria and the trade zone. Rep.: Chas. H. Eddy Company, Chicago, New York and Boston.

## Janesville, Wis.

City Zone ..... 21,628  
Trade Zone ..... 105,000

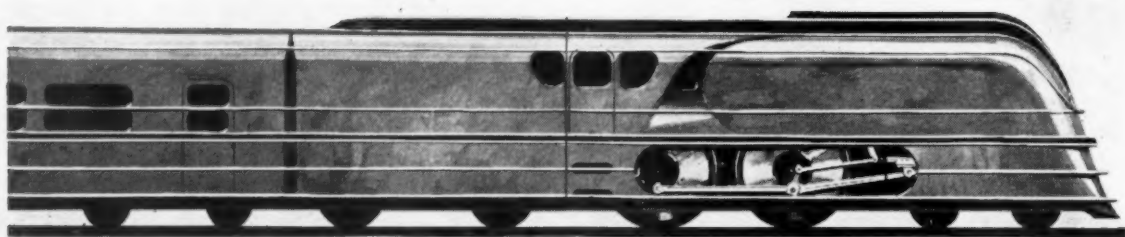
Have you heard the story about Janesville, Wisconsin? Sales and advertising executives agree they consider it the best story they have listened to since the depression.

It is a human story about thousands of people receiving their first pay-checks after months, and in some cases a couple of years, of enforced idleness. Vision the amount of new money which will be released for circulation throughout the various business places in Janesville and the territory when the 250 woolen workers in the recently reopened mills and 3,000 Chevrolet and Fisher Body employees receive their pay-checks.

Isn't it logical to assume when they are in position to go out and "BUY" again, no longer dependently receiving what is "doled" out to them, that the advertised articles which have been building up a desire these many months are the ones who will be selected to fulfill their wishes now? And these people are the readers of their local newspaper—for that was the medium which was continued long after it was felt necessary to drop others considered as luxuries.

Contract rate .06c per line. Rep. New York, Chicago, Milwaukee, Philadelphia, Detroit, Pittsburgh—Frederic A. Kimball Company. Also member of Wisconsin Markets, Inc., Milwaukee. The *Gazette* owns and operates radio station WCLO.

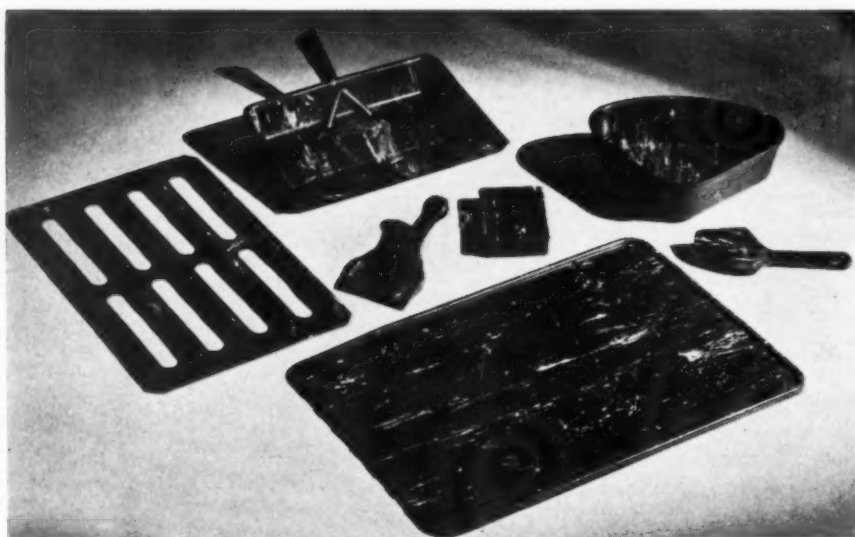




In O. Kuhler's newly designed engine for American Locomotive, boiler and cab are made to meet and direct air currents as one unit, all obstructing parts are concealed by metal sheathing, and everything from cow catcher to whistle is designed to conform with today's desire for beauty plus speed.

# Designing to Sell

No product has a lien on its market today. For every time the sun comes up some new element in design—either in line and form and color, or in basic materials—produces a product which automatically renders obsolescent many an item now in the field.



Made of "Plioform, a thermo-plastic molding material" to your technical staff, but "rubber tile" to the housewife, these kitchen utensils developed by Goodyear Tire & Rubber Company are unbreakable, clatter-proof, easy to clean, and impervious to grease, acids, stains and most of the other hazards of housekeeping. The smart, marbled color combinations are unusually attractive, too.



A gear-shift ball which is also a reminder to change oil at a certain mileage, the Oilmeter is now being distributed nationally through the Western Auto Supply Company and numerous smaller companies. Automobile clubs are snapping it up for their members, too.

(Below) Pencils and pens came out from under the counter and into a prominent place on top, when the Wahl Company had Owens-Illinois design this frosted glass desk tray and made it a part of the package for their "Doric" set.



# Henry Dreyfuss says...

***"Design is a modern salesman, utilizing new materials, forms, colors, and ideas to produce increased returns for both manufacturer and retailer..."***

MANUFACTURERS are rapidly realizing that an appeal to the eye through adding beauty of design to intrinsic merit is good salesmanship. When buyers like the fine appearance of your appliance or device the battle for orders is more than half won.

An example of what may be done with a strictly utility appliance to lift it above competition is provided by the Associated Merchandising Corporation's "Laundress" Washing Machine recently redesigned by Mr. Dreyfuss. This new design is characterized by simplicity of line and form, and the elimination of exposed gadgets or sharp corners that catch onto clothing and also accumulate dirt. The pleasing and appropriate black and cream color scheme is accented by the ball shaped control knobs of rich red Bakelite Molded, which will retain color and finish for the life of the machine.

In the present period of widespread re-designing to increase sales, Industrial Designers are almost daily discovering new uses for Bakelite Materials. In products of every description it is possible to improve appearance or performance, and quite frequently reduce cost, through the use of Bakelite Materials. We would be glad to discuss redesign problems with you, and also to mail copy of booklet 26M, "Bakelite Molded."



*Henry Dreyfuss, 580 Fifth Avenue, New York, is recognized as an outstanding leader among the artists who are devoting their talents to Product Design. His work includes the designing of a wide range of products including business machines, stoves, hardware, refrigerators, silverware, clocks, watches, airplanes, and many other products.*

BAKELITE CORPORATION, 247 Park Avenue, New York, N. Y. . . . 43 East Ohio Street, Chicago, Ill.  
BAKELITE CORPORATION OF CANADA, LIMITED, 163 Dufferin Street, Toronto, Ontario, Canada

## BAKELITE

REGISTERED U. S. PAT. OFF.  
The registered trade mark above shows distinctive materials manufactured by Bakelite Corporation. Under the capital "B" is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products.

### THE MATERIAL OF A THOUSAND USES



## Women Motorists Stop for 'Beauty' at Standard Oil Service Stations

The salesman spread a picture of a vending machine before an executive of Standard Oil Company of New York, laid beside it a small package, which he opened, and took out a cleansing tissue, a tube of cleansing cream, a phial of skin freshener, and a pad.

The oil executive extended a restraining arm. "I'm in the oil and gas business," said he, "not cosmetics."

"You're going to be in the cosmetics business," replied the salesman. "This package sells for ten cents. Every woman in America who motors would jump at the chance to freshen up on a trip. There isn't any place now where she can. What's the answer? The rest rooms in your filling stations. This package has been approved by the *Good Housekeeping* Institute. That guarantees its quality. It sells for a dime. Almost any woman will try the dime once. Then the product sells itself. She can't lose because the Mechanical Retailer automatically locks when empty."

"Hmmm. What do the machines cost?"

"We aren't selling machines. All we want to do is to put the Retailer on the walls of selected Socony service stations in New York state. It won't cost you a cent for investment. We install the Retailers, supply the re-fills, and pay you a royalty for the privilege of making waste space pay."

### "Gas—and a Dime Facial"

The executive was alert and receptive to new ideas. He agreed to let Mechanical Retailers be installed, as fast as they could be turned out, in all Socony filling stations in New York state. If results warranted, the Retailers would be installed in Socony stations elsewhere.

The salesman was Col. John Sutton, vice-president of Mechanical Retailers.

The idea "took." Production plans of Mechanical Retailers, Inc., call for the manufacture and installation of 50,000 automatic vendors this year. Women soon began to make a point of stopping at the Socony stations where they knew a Retailer was installed. Approximately 80 per cent of sales became repeats. The filling station showed an extra profit. The tourist obtained a new conception of "Socony service."

The drug store executive was another matter.

"In one year, 22,500,000 sampler packages of Outdoor Girl were sold

over the counter, to establish consumer satisfaction with the ten-cent type of package," Col. Sutton asserted. Two hundred Retailers were rotated through 800 selected places to determine the best selling spots. That was part of an early study that included direct canvassing of 1,000 women in all walks of life from shop girls to society leaders. "Any woman can see what a bargain this is for ten cents. It would be a buy at a quarter, but the depression came along. Only a dime—that's different. It's one of the quickest, surest, and soundest methods of selling ever devised."

The drug store official thought it over. "That means taking sales away from our counters and cutting out an extra clerk."

### "Shave—and Two Blades"

"No. It means putting on an extra clerk—the Mechanical Retailer. It means added sales that you probably aren't making now. It means extra business from the vendor, and stimulation for more business at the counter. If anything, you may need to put on an extra clerk."

Into the Astor Hotel, alongside the Pennsylvania drug-store, went Col. Sutton and his slot machine. The colonel no longer needed to prove that he was right. The Mechanical Retailers did it for him. After months of operation, the Astor-Pennsylvania drug store agrees that the Retailers in the hotel are a stimulus. They save time for the customer who quickly obtains his small necessities before passing on to the drug-store, where he purchases the items he originally wanted.

One more leaf from the diary of Col. Sutton. The Retailer also sells Atlas razor blades. The colonel walked—of all places—into a barber shop. To the proprietor, he said, "I want you to sell razor blades."

The owner looked slightly dazed. "Sell razor blades? In a barber shop?"

"Yes. I'll put this machine on the wall, fill it, keep it supplied, and pay you a percentage of receipts. You don't need to pay any attention to it except when it's empty. You yourself know that there is no money in a shave. It's all in the haircut and extras. Most men do their own shaving anyway, and there isn't any reason I can see why you don't collect part of that money since barbering is your business."

The rest of the story is the same. The Retailer was a reminder to the man who came in for a haircut that he

needed new razor blades. It was convenient and two blades for ten cents was reasonable enough. He purchased two. Then he began dropping in to buy blades even if he didn't need a haircut. The barber got added business from the Retailer, and extra business from his trade.

The makers of Mechanical Retailers started out on the basis of correcting certain abuses in the vending machine business. First, they would not sell the machine. They would build one as inexpensive as possible, install it, and retain full ownership and control. The proprietor of the shop was thereby relieved of any need to make it show a large profit in a short time. The manufacturers were enabled to control the quality of merchandise. Their second principle was to supply such good value for the price that the public would return as steady patrons. The final point was the construction of a fool-proof vendor that would automatically lock when empty.

From one store in Columbus, Ohio, eleven repeat orders have come in in eight months, and the machines themselves are now installed in strategic locations of stores in 153 key cities from coast to coast.

John L. Kuser, Jr., president of Mechanical Retailers, Inc., is also a director of Fox Films, Lennox Pottery, and Atlantic Products.

Mechanical Retailer also makes Atlas blades for Atlas Supply Company, S. O. of New Jersey subsidiary.



PUT THE SUN BACK IN THE SKY...with Sal Hepatica



**Morning-After Timeliness:** Thousands of over-indulgent celebrants of repeal, gulping penitential black coffee over their morning papers, must have given feeble but fervent thanks for Sal Hepatica's ad. Unscrupulous about hitting a man while he's down, it appeared in 1,000-line space in 27 newspapers, from coast to coast, the day following repeal.



# A MESSAGE TO AGENCY EXECUTIVES

Among your clients there are undoubtedly many manufacturers whose products can readily find a large volume market in the Premium Field, which at the present time is buying more than

## \$200,000,000.00

worth of merchandise annually.

We are prepared to demonstrate this market to you and are in a position to secure for your clients the services of a reliable and experienced Premium Sales Organization with intimate contacts in this field, which will relieve them of all details in connection with the securing of this business.

Every Account Executive owes it to himself, as well as his clients, to investigate this unusual opportunity thoroughly.

FOR COMPLETE INFORMATION WRITE

## **PREMIUM PRACTICE**

**420 Lexington Avenue**

**New York, N. Y.**



## Ford, Dramatizing His "30 Years," Starts to Make 31st Show Profit

**F**ORD Motor Company's second 30 years probably will be more promotional than the first.

Shaken by losses on his motor car operations of more than \$50,000,000 last year, and by a decline in competitive position from 43.8 per cent of the total sales of Chevrolet, Ford and Plymouth in 1931 to about 30 per cent this year, Henry Ford has started out to advertise—and dramatize—the 1934 V8 more aggressively perhaps than any car in his eventful history.

To be sure, he spent more money in advertising when he introduced the model A in December, 1927—some \$1,500,000 in newspaper pages in one week—but he is now doing more in sales promotion and in stimulating the work of salesmen, probably, than ever before.

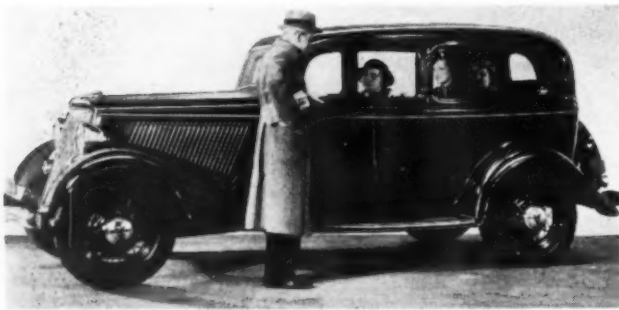
Capitalizing on the fact that Ford

porters had ready access to them.

In his telephone talk Henry Ford strove to dissipate any belief the dealers may have had that he is working at cross-purposes with the Administration when he said, "We have all got to pitch in and do all the business we can to help the President pull the country out of the hole." This was also the first time Mr. Ford has ever addressed all his dealers at once.

The new cars themselves, in addition to increased speed, miles per gallon and other features, have optional radio equipment at an additional cost of \$39.50.

The Exposition of Progress was opened with impressive ceremonies (a full month in advance of the National Automobile Show to be held by other members of the industry under the auspices of the National Automobile Chamber of Commerce, at Grand Cen-



Will closer relations with dealers and better-trained salesmen bring this car back to its former standing in sales in 1934?

Motor Company is five years older than General Motors Corporation, now promoting its silver anniversary, the theme of the Ford program is "These Thirty Years." This theme is mentioned in newspaper copy of the 1934 Fords. It is being dramatized in the Ford Exposition of Progress, which is now attracting more than 100,000 people daily to Commerce Hall in the Port of New York Authority Building in New York City and in an eight-reel motion picture, entitled "These Thirty Years," produced by Caravel Films, which Ford dealers and distributors are now showing to the public throughout the country.

Active efforts to win dealer and public good will were launched a few days ago in a "nation-wide sales meeting" of 9,000 dealers, 17,000 salesmen and 15,000 other members of the dealer organizations, addressed by telephone by Henry Ford and his son Edsel, president of the company, and in a pre-view of the new cars at Detroit, in which for the first time re-

tral Palace. Governor A. Harry Moore of New Jersey, Lieut. Gov. M. William Bray of New York, C. A. Esslinger, eastern zone manager of Ford Motor Company, participated in the pre-view, December 8, of the exposition, which embraces products of 150 manufacturers in allied industries. A Ford V8 is being given away daily. Two thousand dollars in prizes are being offered to children under 16 for essays on the "most interesting feature" of the exposition.

Though the Ford Company has made a number of shorter motion pictures, "These Thirty Years" is its first "feature" production. At the nation-wide sales conference in thirty-two branch city meetings, the thousands of Ford salesmen and dealers saw the romance of their own business in the story of David Haines and Jed Travers, who converted a livery stable into the first Ford garage in Brookfield thirty years ago, and the son who follows in Dave Haines' footsteps, to sell the 1934 V8. A race

between a horse and buggy and an antique Ford, to determine whether the country doctor should give up old Dobbin and dash about the countryside at the breakneck speed of twenty miles an hour, tickled the memories of the old-timers in the audiences. A cleverly developed demonstration of the new V8, worked into the action of the latter part of the production, gave a merchandising angle to the showing.

At this writing the entire Ford organization has seen the talking picture, and it is now being presented to the public throughout the country, as fast as theater bookings can be arranged. Downtown theaters in Chicago, Philadelphia, Pittsburgh, Newark, Brooklyn and many other cities are now showing the picture on three-day or one week schedules.

Emphasizing the necessity for close cooperation of Ford dealers and their organizations, the Ford Company has worked out minute details of the merchandising plan wherein the picture plays so important a part in introducing the new car to the public. The company provides at cost newspaper matrices for advertising to promote the local performance, urging at least two or three insertions; window cards, posters and photographs for theater lobbies; tickets of admission, printed as postcards for mailing or personal distribution, to prospects; special invitations for prominent local citizens; reprints in booklet form, for use of salesmen, of the selling talk on the 1934 V8 made in the picture. For the benefit of dealers in communities where such cooperation is necessary, the company will provide a projection machine and show the picture in a hall or other suitable place where it is impossible to obtain a theater.

### Distributors Get Voice in Hupp Directorate

With the election of Charles D. Hastings as president of Hupp Motor Car Corporation, Detroit, to succeed DuBois Young, resigned, the board of directors was changed to provide equal representation for three groups—distributors, factory representatives and stockholders' representatives.

Distributors elected directors were Charles E. Gambill, Chicago; Eric Courtney, Boston, and P. M. Hesli, Minneapolis. Factory representatives are Mr. Hastings, who is also chairman of the board, and Rufus S. Cole, vice-president, and Ralph P. Lyons, treasurer, both of whom are new directors. Stockholders' representatives: Moritz Rosenthal, A. M. Andrews and Charles Hayden.

## Railroads Quiz Consumers to Learn What's Wrong With Service

Many startled citizens of the republic received, during the last week or two, from the office of Joseph B. Eastman, Federal Coordinator of Transportation, a "Passenger Ballot" (not unlike those Research-man Weaver has been sending out in behalf of General Motors), which is designed to uncover the gruesome facts as to why consumers in greater number each year spurn railroad passenger service in favor of other types of transportation.



### RAILROAD SALES METHODS

1. Do you usually buy railroad tickets at a railway station rather than at ticket offices located in the shopping district? Yes ☐ No ☐
2. Are railroad sales representatives as competent and do they present their services as well as the representatives of air lines or bus lines? Yes ☐ No ☐
3. Are railroad passenger solicitors better salesmen than the representatives of private travel bureaus? Yes ☐ No ☐
4. Have you found that railroad sales representatives are generally as competent as automobile salesmen, for example? Yes ☐ No ☐
5. Do they show a general need for better training in salesmanship? Yes ☐ No ☐
6. Would you like to have a well-trained railroad passenger solicitor call on you at periodic intervals to present new services that may be of interest or benefit to you and to assist you in planning your travel arrangements? Yes ☐ No ☐

Railroad sales reps. are likely to blush at the answers to this page of the questionnaire. There are seventeen other pages of equally pertinent questions.

Says Mr. Eastman, in a foreword-letter to each addressee:

"To Travelers: the discovery of ways by which passenger service agencies (railway, highway, airway and waterway) can be coordinated, improved and made more usable is an important part of my work as Federal Coordinator of Transportation.

"I need your help in this job, for I lack accurate information concerning the public's travel habits, its uses of the various kinds of transportation, and its wants in connection with passenger services.

"Tests show that this 'Passenger Ballot' can easily be voted in 17 minutes. You need only to use check marks and figures that can be readily calculated to answer every question. I trust you will find time to fill it out.

"As soon as you have completed checking the questionnaire, please seal and mail

it. No postage is required. Balloting will end December 23, but earlier returns are earnestly urged."

In an article in the September 1, 1933, issue ("Wanted: Some Automobile Sales Managers for the Railroad Industry"), SALES MANAGEMENT said, "... most of the reasons why more people do not travel on trains would become plainly evident if the railroads would do more of what the manufacturing industries do: go straight to their customers and ascertain what they want, why they want it, and how much they're willing to pay for it."

It seems of utmost significance that this job is finally being undertaken by the United States Government itself.

Run through the pages of Mr. Eastman's questionnaire: he asks first for data on automobile mileage and its costs, and estimate of miles traveled on rails, buses, airplane, steamers, then a group of 7 leading questions on railroad and Pullman rates ("Would you make greater use of Pullman accommodations if the railroad surcharge—one-third of the usual cost—were abolished?")

Random questions from other sections: "Have you found that railroad sales representatives are generally as competent as automobile salesmen?" "Is the advertising of railroad passenger service as effective and attractive as the advertising of automobile manufacturers?" (Under "Improved Station Service"), "What changes or improvements in railroad passenger service before departure or at stations would make it more usable and attractive? ... Free delivery of hand luggage to seats in trains? Better maintained toilets in small stations? ..."

Thousands who followed SALES MANAGEMENT's energetic campaign of 1932 and 1933 to obtain scrip books for quantity travelers will be interested to know that this subject comes up several times in the questionnaire: "If railroads sold a 5,000-mile mileage book good for one year, at a substantial discount, would you buy such a book?" And under discussion of Pullman and parlor car service check list of items that would make accommodations and service more attractive, appears "Scrip books providing substantial discounts for extensive Pullman car users."

SALES MANAGEMENT will ask Mr. Eastman to divulge the results of his research as soon as compilations are made.

## You need this RECOMMENDED MARKET

**I**T is estimated New Jersey's consumer income for the next six months will be 128% above last year. The State Labor Department says factory employment is 21.6% ahead of last year; payrolls are up 18%. This does not include, of course, office workers, salespeople and such. The Newark industrial area, largest in the state, naturally commands the lion's share. With population and wealth concentrated at this point, consumer income in the Newark market will be higher than the figures indicate. Help Wanted advertising in The NEWARK EVENING NEWS has increased every month since June. Unfilled jobs have increased, too. No wonder Newark is recommended as one of the important cities offering best sales prospects.

If you have something to sell here is the place to sell it in 1934. The quickest, easiest, most effective way is include The NEWARK EVENING NEWS in your 1934 advertising plans. It is the preferred medium in this market. Practically every family reads it ... and 90% of them have it delivered to their homes daily.

### Newark Evening News

EUGENE W. FARRELL,  
Business & Advertising Mgr.,  
215-221 Market Street,  
Newark, New Jersey;  
O'MARA & ORMSBEE,  
General Representatives,  
New York, Chicago, Detroit,  
San Francisco, Los Angeles



## Lays Most of Salesmen's "Faults" on Sales Manager's Doorstep

The three most common criticisms of salesmen—that they won't study, won't use sales tools, and lack enthusiasm—are more often than not the fault of the man directing the salesmen, declared W. B. Montague, educational manager, Delco Heat Division of Delco Appliance Corporation, in an address delivered last Friday before the Rochester Sales Manager's Club. The title of his talk was "In Defense of Salesmen."

In his discussion of the frequently-mentioned criticism that salesmen

won't study, Mr. Montague asked how many sales managers themselves studied consistently. The absolute necessity for condensing the material covering sales procedure and product, which every salesman should assimilate, into the most convenient and usable form, was especially emphasized by the speaker. He said:

"It is my contention that we as sales managers owe it to our men to separate the wheat from the chaff in giving them publications to study. It is our responsibility to see that salesmen re-

ceive the necessary information concerning their product and sales procedure in short, concise, abbreviated form, so that with a minimum of study they become well-informed.

"The automatic heating and air conditioning subject is a pretty complicated and comprehensive subject. I listened to a sales manager enumerate to a group of his men the publications that a salesman engaged in selling automatic heating and air conditioning equipment should study. He went over the list rapidly, but enumerated the essential knowledge they would find in each publication. There was a textbook on chemistry, another one on physics, then another one on heating and ventilating, then one on plumbing, one on the electrical engineering principles and still another on petroleum products.

"And so he went through the list. He had in front of him all of these publications. He piled them up in his arms and before he was through the stack reached from his waist as high as his nose, and then suddenly he said to the group: 'How in the world are you going to store all of this knowledge away in your head? How in the world are you going to have at your finger tips the one little bit of knowledge that perhaps you'll need when in the presence of a prospect?' And then he turned and threw this great stack of books off the platform and swung to his audience and said, 'Gentlemen, we have condensed all of this information into a book of pocket size and there are only 103 pages in the book.'

"The audience howled. They welcomed such a thing. They were anxious to study. They wanted to have this information at their finger tips, but they couldn't see how they would have time to plow through all of these text books. Since the adoption of that little book and its being sent to the organization, there has been a remarkable increase in the average of knowledge of automatic heating in the organization and, what is best of all, there has been an increase in the sales volume."

The reason that salesmen do not more often use available sales tools, Mr. Montague contends, is that too frequently such tools are prepared by some one who is too far removed from actual working conditions in the field. Often too much stress is laid upon making a piece beautiful rather than making it thoroughly practical, he said.

The speaker especially criticized the attitude of the companies and men who insisted that the methods big companies use to solve their problems in managing men are not adaptable to their own businesses.

# MODERN BREWERY

WITH WHICH IS CONSOLIDATED

Brewer's  
Art

More nationally  
recognized advertisers  
than all other  
brewery papers  
put together...

there's a reason

PRICE 4
(A-8607)

205 E. 42nd St., New York City • 333 N. Michigan Ave., Chicago

## THE NATIONAL BREWERY MAGAZINE

# Sales Letters

BY MAXWELL DROKE

## Sound Argument Shatters the "We're Waiting" Alibi

In my travels and correspondence I have lately observed in many businesses a tendency to mark time. "We are waiting," executives blandly declare, "for the approval of our code." Or, in those cases where a code has been signed, they will explain, "We aren't making any plans for the future until we see how our code works out." It is a first rate alibi for inaction, and the condition in some quarters threatens to become chronic. That is why I am especially interested in a bulletin which C. W. Barker, of the Hood milk plant, Charlestown, Massachusetts, has despatched to his sales superintendents. It strikes me as a very sensible summing up of the situation. I commend it to your consideration:



Maxwell Droke

"Are you anxiously awaiting the signing of the Code?"

"Many individuals, not only in the milk business, but in other lines as well, are waiting for the signing of some particular Code, which they believe will improve conditions for them. Needless to say, many of these trusting souls will become disillusioned when their particular Code becomes law.

"It doesn't pay to set high hopes or childlike faith in what some agencies beyond our control will do to help us improve our business or general conditions. Undoubtedly conditions in general will be better by the signing of the Code for our industry; but we are living today, and are measured according to the results we secure today. Let us determine to do our utmost to secure satisfactory results with what we have at hand, and not expect too much to happen in our favor by the will of God or decree of the United States Government.

"When you receive this letter there will be about 16½ working days before the end of our sales drive, and your problem is to get your sales organization to do their best and make the most of every hour of these remaining days.

"Your thought for TODAY, and the days to follow, should be, *What more can I do to help my salesmen increase sales NOW?*"

## Tactful Candor Removes Slur From Credit Data Request

Requesting a customer to furnish additional credit data, after an order has been received, is always a ticklish undertaking. I have, I believe, never seen the subject handled more tactfully than in this letter written by D. D. Herndon, assistant secretary and treasurer of the Birmingham Stove & Range Company. Note particularly the third paragraph.

## Bring on Your Letters!

In the fifteen years or more that I have been living with letters, I cannot recall a time when there was a keener or more intelligent interest in the subject of business correspondence. From all over the country—and from a number of foreign lands—I am receiving more letters, and better letters for comment and criticism. There is, I think, an increasing realization that with improving conditions, direct mail must play a more vital part in our sales program.

Let me take this opportunity to repeat, at the close of an eventful year, that the "Standing Invitation" which appears regularly on this page is intended for *you*. I am glad, indeed, to have *your* letters. Let them come as often as the spirit moves you!

"We thank you for the order placed with our Mr. Summer, which is thoroughly appreciated by everyone in our organization. Believe you will find that the items specified will prove entirely satisfactory and find ready and profitable sale.

"In connection with the usual credit formalities of a new account, our credit department would appreciate your filling out and returning to us the enclosed property statement blank. This is no more than any conservative business requires, and we feel sure you will appreciate our coming directly and frankly to you for this information. For our part, we would much rather place our confidence in your own statement than in the reports we might obtain through other channels.

"This information is for our own credit files only, where it will be treated in strict, honorable confidence. As credit is largely a matter of mutual confidence, you may wish to know more about us. We refer you to any bank or business house in Birmingham, or to Dun & Bradstreet.

"Your order can be placed with our shipping department for prompt shipment just as soon as this information reaches us. It is our hope that this is but the beginning of a long business relationship that we shall try hard to make both pleasant and profitable for you."

\* \* \*  
One of my correspondents writes in to protest volubly against the practice of listing fifteen offices on a letterhead—and giving no intimation of the one from which the message emanates. He indicts one of the largest mercantile houses in the country as habitually careless on this count. Just the other day I dictated a letter to the Chicago headquarters of a certain company, only to find later, by examining a six-point line at the bottom of the page that it should have gone to the New York branch! If you must list more than one address, make certain that you properly emphasize the one to which a reply should go.

## Pride-of-Possession Appeal Wins Tycoon Testimonials

I have been greatly pleased with the outstanding quality of the letters submitted in our Sales Letter Round Table. Each month, as you know, we select, from hundreds of submissions, twenty-five letters which seem to us of the greatest general value to the group. These letters are processed and mailed to all members, together with enclosures, if any. Here, for example, is a letter from the November group, which is self-explanatory. It is from the Heatilator Fireplace Company, Syracuse, New York. A total of 858 letters were sent to Heatilator Fireplace owners. The result was 235 interesting replies, within three weeks, from executives, bankers and others not generally given to writing "testimonial" letters—a most valuable collection of data for future sales promotion efforts:

"If you were the manufacturer of Heatilator Fireplaces, and I had installed one in my home or camp, wouldn't you like to hear how it was working out, and perhaps see a photograph of the installation? Of course you would! That's just why I am writing you now.

"We have your name on our list of Heatilator owners, but I can't seem to find any information about your particular fireplace. We would like to complete the record. So—won't you please take a moment to write me just how you like your Heatilator Fireplace—what the extra heat has done to make your home or camp more comfortable and enjoyable—and possibly what economy has resulted in your heating costs.

"If you have a photograph or snapshot of your fireplace, won't you send it along, too? I'll see that it is returned promptly and safely, if you wish to have it back.

"We are enclosing a blank letterhead and a stamped, addressed envelope for your convenience in replying. I hope that I may hear from you soon.

"Very truly yours."

## At Last! Sentiment Without Slush in a Christmas Letter

At this season, when thoughts turn naturally toward "a Christmas letter," let me quote briefly from a message which Thomas D. Goodwin, of Pittsburgh, sent last year. The sentiment is, I think, equally appropriate to the present Yuletide:

"I bow to Santa Claus. He is one fellow who has the courage to be recklessly kind. We say a lot of it is make-believe, but that is only because we are ashamed of being thought soft-hearted.

"Whether stocks drop or not now seems trivial. War debts that yesterday loomed so large fade into insignificance—they will work out some way. The important thing is to get the tree in, and trimmed, and all the decorations and parcels on, while little eyes are closed.

"Bless your heart, it's Christmas, and nothing else matters!"

So say we all. And a right Merry one to you and yours, my masters!



## SALESMEN'S EXPENSE

and

## SALESMEN'S COMPENSATION

**I**NCREASED costs due to N.I.R.A. codes are creating a growing interest on the part of manufacturers in the pressing need for reducing selling and manufacturing costs and enlarging sales opportunities.

**The T & L Plan for Controlling Salesmen's Automobile Expense**, which overcomes the inaccuracies of flat mileage, or of monthly allowances, has been installed by us for many of our clients, including the Sisalkraft Company, Mantle Lamp Company, Battle Creek Food Company, Will & Baumer Candle Company, Florence Stove Company, and Phoenix Hosiery.

The plan separates the directly variable expenses, such as oil and gas, from the fixed and semi-variable expenses, and thus compensates the salesman on the basis of the true cost of his transportation.

The plan is copyrighted. Description will be gladly sent upon request.

**Methods of Compensation of Salesmen** originated by T & L after several years of thorough analysis, have proved effective in enlarging sales and increasing profits.

Selling problems differ with each individual company. We shall be glad to have you write us in regard to yours.

## THE THOMPSON & LICHTNER CO., Inc.

Statler Building, Boston, Mass.  
420 Madison Avenue, New York City  
205 W. Wacker Drive, Chicago, Ill.

## Media and Agencies

### David and Goliaths

"The worst newspaper competition is stupid competition," J. David Stern told the Association of National Advertisers a few weeks ago. "Two good newspapers in a town will make more money than one good newspaper and one poor newspaper."

In acquiring control of the 132-year-old New York *Evening Post*, last week, just when plans had been completed for the three other evening newspapers there to buy and scrap it, Mr. Stern will have a chance to prove that four evening newspapers can all make money in America's biggest market. Whether they will all be "good" newspapers or not is a matter for individual readers and advertisers to determine.

The three other New York PM's already have distinct, large and loyal followings.



J. David Stern

Until it became a tabloid last September, the *Post* was a conservative newspaper like the *Sun*. The *World-Telegram* is "liberal" and somewhat crusading, and the *Evening Journal*, a "mass" newspaper.

All three are strongly entrenched. The *Journal*, controlled by Hearst, has a circulation of more than 600,000, the *Scripps* - Howard *World-Telegram* of 400,000 and the independent *Sun*, 300,000.

Circulation of the *Evening Post*, on the other hand, is only about 100,000. Its advertising volume, relatively, is even less than the others. For many years it has lost money steadily. Whether chunky little Mr. Stern can do as well against such competition as his *Record* has been able to do in Philadelphia is considerable of a question. The late Cyrus H. K. Curtis and his son-in-law, John C. Martin, through their *Morning and Evening Ledgers* and *Morning Inquirer*, have been probably the strongest factor in Philadelphia newspapers—though the McLean *Evening Bulletin* has consistently had the largest circulation there.

### Slump-Proof in Phila.

Despite these odds, Mr. Stern has progressed. Since acquiring the *Record* from the Wanamakers in 1928, the net circulation gain of the daily edition has totaled 60,080 or 53 per cent, and the Sunday 138,514 or 139.4 per cent. Competitors meanwhile lost from 6.7 to 44.6 per cent. Circulations of the *Daily* and *Sunday Records*, however, are still exceeded by one or the other Curtis-Martin morning newspapers.

In total advertising lineage the *Morning Record* has had a gain of 2.5 per cent and the *Sunday Record* of 19.6 since 1928.

Fighting the Goliaths of Philadelphia with some success, David Stern, however, may find his slingshot less effective in New York. But he is not easily discouraged,

nor easily regimented. Some of his associates think that Mr. Stern has the "most untrammelled mind" of any publisher they know. Educated in the law (U. of Pa.), and with a post-graduate year at Berlin, he soon followed his inclination to abandon law and enter newspaper work. Fired from the Philadelphia *Public Ledger* when he tried to tell the editor how to run the paper, he did reporting in Providence and Seattle and on the old New York *Globe*. Borrowing \$1,500, he bought the New Brunswick, New Jersey, *Times*, sold it for \$25,000, picked up a couple of Springfield, Illinois, papers for \$15,000, and eventually bought the Camden *Courier* and the Camden *Post*. These two and the Philadelphia *Record* he still controls.

### "Pig Iron" on P. 1

While certain other publishers have become "merchants of news," or purveyors of pictures, David Stern has been clinging to the old-fashioned belief that "editorial page and purpose make a newspaper—provided that purpose is clear and true." He prints "pig iron" (the heavy stuff, including editorials, that weighs so heavily on the circulation managers' spirits) on the first page. He thinks that it pays.

"It has been my experience, in coming into a new community," says he, "that it takes about three years to go from being Public Enemy No. 1 to being chief champion of the people. . . . We finally licked the Camden political machine by hiring an expert in municipal accounts and showing that the politicians were wasting the people's money more flagrantly than in any other city in New Jersey. We published column after column of tedious statistics. There were many dark hours, with dwindling advertising and unresponsive circulation. But gradually it began to dawn on the public that they were suckers of a political plunderbund. It was like hatching eggs in an incubator: You apply the heat. For a long time nothing appears to happen. Then suddenly, 'beep! beep!' and the tray is turned into a mass of responsive life."

### F. D.'s "Hairshirt"

Mr. Stern is no novice at espousing difficult or apparently unpopular causes. His was said to be the first paper in the East to declare itself for Franklin D. Roosevelt for President. That was long before the Democratic convention in Chicago last year. He is said also to have done more than any other publisher to elect Mr. Roosevelt. But his only central policy, in this and other matters, as an associate explains, is that he has no policy. Within 48 hours after Mr. Roosevelt's inauguration, Mr. Stern had started in to plaster the administration. He is more inflationary than some of the "Brain Trust" themselves. The administration people call him a "hair-shirt." Perhaps a certain dogged martyrdom is implied.

When SM was asking a lot of publishers about their policies in carrying or not carrying liquor advertising (Oct. 20), Mr. Stern replied that his newspapers "have all been for repeal." But "even if they were dry," he added, "I would consider it



stretching the editorial prerogative to rule out a particular line of business from my advertising columns."

When the American Newspaper Publishers' Association was opposed to guaranteeing circulation rates for advertisers, Mr. Stern raised a lone protest. Buyers of circulation, he thought, should get what they pay for, just as much as the buyers of milk or flour. He does not go in for camaraderie with his fellow publishers. When some of them, like Scripps-Howard and Col. McCormick, feared that the NRA would restrict the "freedom of the press," Mr. Stern mentioned that any one of 50 laws already in existence restricted the operations of a corporate enterprise just as much. If he neglected, for example, to have fire escapes on his building. . . .

He tries earnestly, it is said, to get the facts, and he hates propaganda, even for "good" causes. Certain press associations, he suspected, were running last year unsubstantiated re-employment propaganda. One story had it that RCA-Victor Company was going to employ 5,000 workers at its Camden factory. Stern, checking up, found that the "expansion" was merely the reopening of the plant after shutdown for inventory. He had it written thus.

Perhaps he is regarded most highly in Pennsylvania for his efforts in repealing the blue laws against diversion on Sundays.

He writes many of his editorials himself.

Always before him is the fear that subconsciously he may yield to one or another of the swirling forces of propaganda. "So many are ready to speak for the people today," says he, "that it is harder than ever to discover what the people are saying"—or what course is best for them. "Within the past few years I have been compelled to employ engineers, doctors, technicians, to make impartial surveys on which I could guide the editorial policies of my newspapers."

Though he played on the water polo team at Penn. and has had some exercise throughout the country since, his chief hobby is his work and driving a car at 70 miles an hour. While still a student he was married, and the first of the four children arrived before Mrs. Stern completed her college course. After that there was work—increasing. But he likes it.

As he told the *Evening Post* staff the other day, "I want to run a newspaper man's newspaper. I think if the newspaper men like it the public will. Don't be surprised if you see me running through here with my coat off and my hair mussed. We're going to work together."

### Signed Windows

Uniformity in installed displays and better service to advertisers, by appealing to the local installer's pride, are sought by Window Advertising, Inc., and Associates (offices in 140 cities) through adoption of a two-inch red and blue seal carrying the name of the installer and mentioning his association with the group. The insignia will be attached to the inside of the glass.

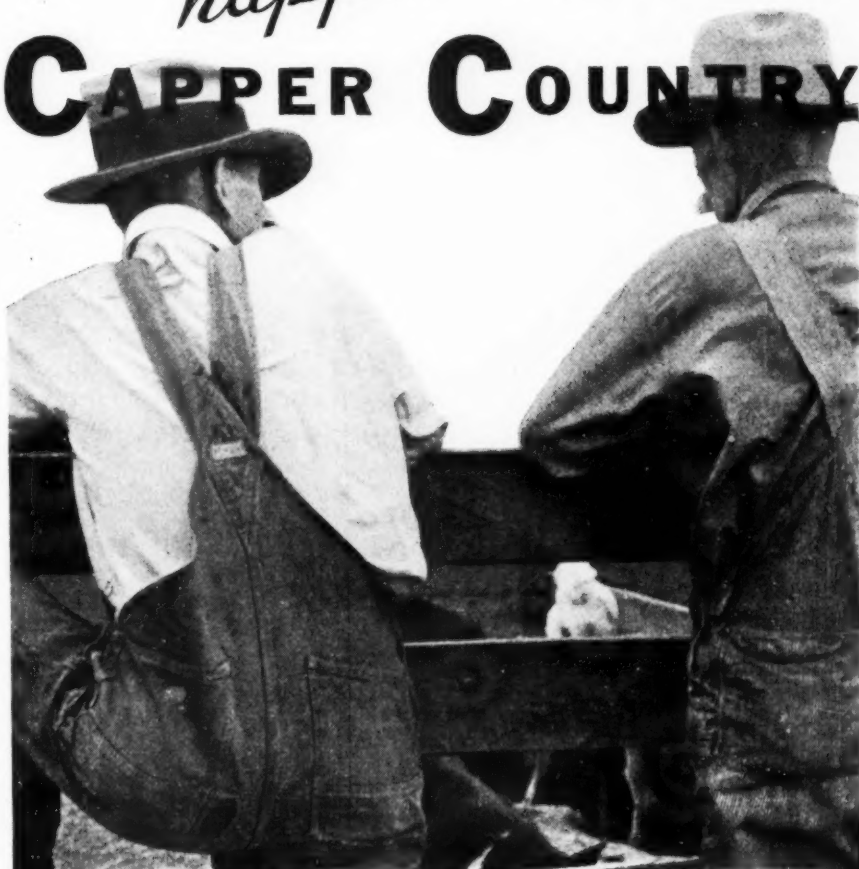
### Modern Gains

Ten percent increase in advertising revenue this year over 1932 is reported by Dell's Modern Magazines. Paid circulation of the group is now 1,050,000, a gain of 200,000. Dell, incidentally, has moved to 149 Madison Avenue.

(Continued on following page)

*Things are happening in*

## CAPPER COUNTRY



CAPPER COUNTRY is those thirteen states of the Midwest where *Capper's Farmer* has a concentrated coverage. Out where the dirt is rich and the corn grows tall and the hogs go to market rolling in fat.

Out here the farmers have weathered the depression storm in good shape, in spite of a lot of contradictory propaganda.

Today, Capper Country farmers are taking advantage of the Government allotment plan which has brought millions of good dollars into this territory. And taking advantage of

the boost in farm prices which on October fifteenth showed an 80 per cent increase on corn over last year. An 80 per cent increase on wheat. A 40 per cent increase on cotton. And a 118 per cent increase on potatoes.

In the evenings when work is done, many of these farmers sit down to read *Capper's Farmer*. It is their paper—addressed to them in a language they understand. It is their paper and they turn an attentive ear to whatever it has to say, be it editorial matter or advertisement.

## Capper's Farmer

Topeka, Kansas

*Opinion molder and buying guide of nearly a million families*

## BID for Business with OAK BRAND BALLOONS



... and  
you'll get  
it!...



YES, and make some grand slam in sales, too!

To play a hand your competitors can't raise, just give Oak Balloons with your product at point of sale.

The Oak balloon plan sends customers to the store to buy your merchandise — and prevents substitution.

Write for facts about this method of increasing sales.

**The Oak Rubber Co.**  
210 S. Sycamore St., Ravenna, Ohio

## FILM SLIDES Increase Sales for Paint Firm

*Dramatized Presentation  
Gets Whole Merchandising Plan  
Vividly Before Prospects*

One of America's largest paint companies used Spencer Pocket Projectors and Film Slides for the first time in 1933. Results were (1) Won enthusiasm of sales force and caught full attention of dealers from coast to coast (2) New agencies signed up (3) Dealer relations strengthened.

Visual Direct Selling with Spencer Projectors increases sales because:

1. The complete story can be put over in one call.
2. Sales story understood because it is visualized and dramatized.
3. Sales points are brought out in order of importance, building to a climax.

Your sales story will be visualized to every prospect, with every sales point made perfectly clear every time.



**SPENCER  
Pocket  
Projector**

Weight 20 oz.; size 4"x6"x2"; uses 35 mm. film slides; priced so low one extra order pays for it. Write, or mail the coupon.

**SPENCER LENS COMPANY**  
BUFFALO, N. Y.

SPENCER LENS COMPANY, Dept. S, BUFFALO, N. Y.  
Gentlemen:—Please send me full information on your Salesman's Pocket Projector and how it will help increase our sales.

Name.....  
Dept..... Company.....  
Address..... City..... State.....

## Perry under the Maple

In our story on the Canadian *Liberty* in this department December 1, we left out the name of Nelson R. Perry, advertising manager of *Liberty*. In so doing it appears that we left out somewhat more than half the story. Mr. Perry fought for the idea of a Canadian edition against skeptical colleagues. He made the original report on prospective profitable billing, which subsequently was so quickly achieved. For months on end he ate, slept (but did not have time to drink) Canada.

## Cleveland Pantries

The *Press* made a pantry shelf investigation last year (SM, September 1, 1932), which for the first time provided a detailed inventory of what foods were bought by Cleveland housewives and where they bought them. This fall the *Press* sponsored a follow-up which will disclose the shifts that have taken place during the last 18 months.

## Do You Know Your Groceries?

Several month ago *Cosmopolitan* made a departure from national magazine routine by inaugurating a point-of-purchase merchandising service for food products advertised in *Cosmo*. Posters headed "Do You Know Your Groceries?" applied something akin to the Ripley technique through giving the history and background of food products.

Chain stores are offered these posters each month with imprints at the bottom

of *Cosmo* advertised products which the store wants to push. Of these posters, 13,410 were distributed on request to chain stores for tie-ups with the October issue, and on the basis of poster per product, Post's Bran Flakes led with 3,765, followed by Palmolive 2,310, Campbell's Soups 2,200, Scott Tissue 1,945, Maxwell House Coffee 1,940, Cocomalt 1,830, Lux Toilet Soap 1,770, Camay 1,750, Shredded Wheat 1,745, and Chase & Sanborn's Coffee 1,685.

## Misc.

The Dallas *News* and *Journal* offer advertisers "Aboveboard Circulation." The name of the St. Louis *Star and Times* has been abbreviated to *Star-Times*, with the *Times* being changed from old English to block letter to conform with the rest of the signature.

J. Walter Thompson Company, Chicago, will handle advertising for a new Nash car to be launched soon in the lowest-price class. . . . Colgate-Palmolive-Peet Company appoints Benton & Bowles, New York, as advertising agency for Palmolive soap and shaving cream, Super-Suds, the Octagon soap line, Peet's granulated and other laundry soaps in its line. . . . Truck tire advertising of Goodyear Tire & Rubber Company has been placed with Electrograph Company, Detroit. The balance of the Goodyear account remains with Erwin, Wasey. . . . U. S. Industrial Alcohol Company and its subsidiary, U. S. Industrial Chemical Company, to United Advertising Agency, New York. . . .

## Minneapolis Leads "Snapback"; First of Leading 25 in Bank Debits

Minneapolis' bank debits for the first 11 months are 120.2 per cent of the 1932 figure, and the city has a clear lead over others in the degree of business recovery in the population class of 100,000 and over. The U. S. A. average, New York City excluded, is 94.9. Following Minneapolis, the next 24 are, in order:

2 Duluth	115.8
3 Canton	114.1
4 Atlanta	111.1
5 Houston	105.5
6 Memphis	105.46
7 Portland	105.40
8 Louisville	103.
9 New Bedford	102.4
10 Dallas	102.21
11 Kansas City	102.17
12 Milwaukee	101.4
13 Fall River	101.3
14 Jacksonville	101.25
15 Miami	101.1
16 Denver	100.5
17 Chicago	100.4
18 Nashville	99.7
19 Richmond	99.5
20 Syracuse	99.4
21 Waterbury	99.3
22 Gary	99.2
23 Utica	99.11
24 Hartford	99.06
25 Pittsburgh	98.49

## Garage Code to Eliminate Discounts to Fleet Owners?

The proposed code for the garage industry contains a provision under the heading of unfair trade practice which prohibits the granting of special rates to fleet owners for over-night storage. If this proposed provision is incorporated in the accepted code, SALES MANAGEMENT readers will assume an increased burden on already high costs for their sales organizations.

Garage owners are entitled to a profit, but, just as newspaper publishers, for example, can argue that the department store which provides them with consistent volume is entitled to a lower rate than the spasmodic national advertiser, so the garages owe something to national organizations which operate fleets of cars and give them a consistent volume of year-round storage business. The Government wants to know how many cars you operate and how the elimination of a discount to fleet owners would affect your sales costs. Write to Captain A. F. Day, Room 4311, Department of Commerce Building, Washington, D. C.



# THE FIRST HOTELS IN THE WORLD WITH *Certified Guest Room Lighting*



The illumination of every guest room in every Statler is certified by the Sight-meter to be ample (certificate is displayed in the room) as follows:

*Illumination at center of room*  
... ample for reading normal print.

*Illumination at bed-head* ... ample for reading fine print.

*Illumination at bathroom mirror* ... ample for close visual work.

*Illumination at writing table* ... ample for reading fine print.

*Illumination over easy chair* ... ample for reading normal print.

Every guest room in every Statler is regularly checked with the Sight-meter ... to keep its lighting ample.

● Every minute you're in a hotel room your eyes are busy ... except when you're sleeping. That means your eyes are at the mercy of the lighting.

Now the Statlers set a new high standard of guest room illumination — and guarantee it to be ample according to scientific measurement. Your eyes, and the rest of your body, find every provision for true comfort in these houses.

Our part in hotel improvement has been that of the originator ... the pioneer. The private bath with every room; the bed-head reading lamp; the morning newspaper under the door; free radio reception — these are a few of the

many comfort features the Statlers have pioneered. Furthermore—these houses have introduced a long list of outstanding service features, too ... such as the elimination of unsolicited tip-seeking attentions in public washrooms ... the removal of surcharges from articles sold at lobby cigar stands and news-stands ... the banishment of the hat-check tip at the entrance of our public restaurants.

This originating ... this pioneering ... is constantly going forward. It goes forward in order that you may find here more in service ... more in comfort ... more in convenience than is afforded elsewhere ... and you do!

## HOTELS STATLER

"WHERE THE GUEST IS ALWAYS RIGHT"

Cleveland	•	Buffalo	•	Detroit	•	St. Louis
ROOMS BEGIN AT 2.50		ROOMS BEGIN AT 3.00		ROOMS BEGIN AT 2.50		ROOMS BEGIN AT 2.50
Boston	•	New York (Hotel Pennsylvania)				
ROOMS BEGIN AT 3.50		ROOMS BEGIN AT 3.50				



## In Miami Beach its *The Fleetwood*

Opening for the Winter Season  
January first. European Plan.

An Exclusive Winter Resort Hotel, on Biscayne Bay, with Ocean Bathing, a Private Dock and every facility for the comfort and entertainment of its exclusive and discriminating clientele.

Rates Double from \$8.00 to \$20.00 per day.  
A la carte service and Fixed Price Meals.



THOMAS CAGWIN  
Resident Manager

Other DeWitt Operated Hotels include:

In Cleveland Its  
THE HOLLENDEN

In Chicago Its  
THE LASALLE

In Columbus Its  
THE NEIL HOUSE

In Akron Its  
THE MAYFLOWER

FENWAY HALL,  
Cleveland's High Class  
Residential Hotel is,  
also under  
DeWitt  
Manage-  
ment.



## AN ADDRESS WITHOUT AN APOLOGY

**N**O VISITOR to New York, nor permanent resident here, need ever apologize to friends nor indulge in self-recrimination for selecting 12 East 86th Street as a home address in this metropolis.

Ideal location in the select Metropolitan Museum—Central Park—Fifth Avenue center yet only 15 minutes from shops and theatres.

Apartments, furnished or unfurnished, with dining alcoves and fully equipped kitchens (not serving pantries); also transient accommodations from \$4 daily. Booklet F on request.

**The  
Groydon**  
12 EAST 86<sup>th</sup> ST. . . . NEW YORK

## SANTA NEVER FORGETS

AT CHALFONTE-  
HADDON HALL



"A Merry Christmas to all" is again our pledge at Chalfonte-Haddon Hall. For, frankly, we like to play Santa Claus. Maybe it's because we've done it so often, and because it seems to please our friends.

Again we've planned a real old-fashioned Christmas for you, with everything from filled stockings to stuffed turkey. No fuss and fatigue like you'd have at home, but a true family holiday. . . . A rally round the Christmas tree for carols. . . . Stockings bulged with presents and surprises for the children. . . . Holiday entertainments in the hotels. . . . Out-of-doors, a brisk turn by the sea till your cheeks glow like St. Nick's and your appetite is rampant. . . . Then a triumphant family dinner that will make you think Santa's turned chef.

At night the Boardwalk is a carnival of lights and gaiety. It will be so much fun, you'll want to remember every minute. So come down Saturday and make Christmas last three days this year, or even longer. We celebrate all during Christmas week. Low winter rates. American and European plans.

Leeds and Lippincott Company

**CHALFONTE-  
HADDON HALL**

ATLANTIC CITY

## Tips

Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

Surveys for which a charge is made are so indicated. Requests for these, accompanied by the purchase price, should be mailed direct to the publishers.

### Time Pictures a Colony of 1934 Consumers

Celebrating ten years of healthy growth, during the Bust as well as the Boom, *Time* magazine has published a handsome tome for advertising men and the men who pay the advertising bills. The thesis is that *Time's* circulation is a force to be reckoned with in the sales plans of almost every national advertiser. In the development of the thesis, many surveys are mapped, many statistics are pictured—to wit:

**Circulation**, in the 454 counties of the U. S. which provide 76.5 per cent of the country's business, where reside 82.9 per cent of *Time's* 435,000 families. In sharper focus, the bee-hive zone of population and industry—Illinois, Indiana, Ohio, western Pennsylvania. Sharper yet, the almost perfect state of Massachusetts, where all but two counties qualify among the 454 profitable U. S. counties, and 22,000 families receive *Time*. Finally, the suburban community of Englewood, New Jersey, the Dormitory of Wall Street, one of our wealthiest small cities, where most of the population lives west of the Erie tracks, but 90 per cent of *Time's* readers live on the right side of the tracks. (If this be rank snobbery, at least it is a force advertisers of many products like to harness.)

**Reader interest**, about which advertising men seem seldom to agree, is mapped and zoned in Philadelphia by the Aitkin-Kynett Company; in Detroit by Brooke, Smith & French, Inc.; in Atlanta by Dillard-Jacobs, Inc.; in Boston by Lavin & Company; and in Los Angeles and San Francisco by McCann-Erickson, Inc. Inquirers of these five agencies waylaid some 6,000 women as they were purchasing their supplies in both chain and independent grocery stores, asking which, of all magazines coming into their homes, the ladies read and enjoyed most consistently. The details are colorful, as mapped. *Time* modestly bows an acknowledgment to the ladies for voting it fourth among the ten general and women's magazines considered. And suggests that if you question the results, you can easily make your own survey in any high-grade store in any city in the U. S.

**Dealer influence** is of three sorts, not merely one, says *Time*, again bringing colored maps and surveys into action. Cited among the several influences which the magazine brings to bear on the dealers themselves, to arouse and retain their respect for the book and its advertisers, are "The March of Time" (CBS), consistent advertising campaigns in business journals, the *Time-Fortune* building at the Chicago World's Fair, and direct mail. To focus

the power of its 50,000 merchant-subscribers, Akron, Ohio, is analyzed by the Retail Credit Company.

**Advertising** is very ungeographically but most interestingly mapped to show *Time's* standing among the following advertisers: automotive, food, drug and toilet goods, fiscal, travel, building materials, household necessities and luxuries, hotels, men's wear and sporting goods. In number of pages—in case you didn't know it—*Time* stands third among fifteen publications, headed up by the *Satevepost* and the *New Yorker*.

Write direct to Mr. Cornelius DuBois, *Time*, Chrysler Tower, New York, if you have not received a copy.

### Where to Sell in Belgium

A number of American manufacturers doing business in Belgium have informed the J. Walter Thompson Company that their booklet *Comment Vendre*, a little manual for salesmen, has been very helpful. It contains population, automobile, home, and telephone statistics for each province, with a listing of cities of 2,500 to 5,000, 5,000 to 20,000, 20,000 to 100,000 and over 100,000 inhabitants. Published entirely in French, it is an exceedingly condensed, and factual study, the only one of its kind to the best of our knowledge. Available from the New York office of J. Walter Thompson Company, 420 Lexington Avenue.

### Recovery Buying

Millions in new buying power are being poured into the hands of consumers in the middle and lower income groups, points out Outdoor Advertising, Inc., in a folder that has great possibilities for the executive selling a product to these groups. Illustrated by colored charts, the point is made that, of 30,080,000 American families, the big increase in buying power will come as the center of buying is shifting, toward the lower income groups. This information, primarily designed to promote outdoor advertising as the medium reaching all three

income groups, can be used effectively with the sales force selling a lower-middle price range product. Send to C. D. McCormick, Outdoor Advertising, Inc., 1 Park Ave., New York.

## 2 Out of 3

### Customers Come From Beacon Journal Readers

#### Proof:

Friday, November 24, identical ads were published in each Akron newspaper. These ads, keyed, contained coupons good for bus or street car fare to the downtown shopping district Saturday, November 25th.

In checking the coupons collected in lieu of fare, The Akron Transportation Co. found the following:

**5,910**

Beacon Journal coupons

**2,553**

Second Paper coupons

**Akron Beacon Journal**

## Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display. Cash Basis Only. Remittance Must Accompany Order.

### EXECUTIVES WANTED

**SALARIED POSITIONS \$2,500 to \$25,000.** This thoroughly organized advertising service of 24 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated, through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance the moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

### POSITIONS WANTED

**42, AGGRESSIVE, CAPABLE, WITH SUCCESSFUL** sales record thru utility, jobber and dealer accounts, selling major electric appliances for the home, for large national concerns. Possesses well balanced background and ability in organizing, marketing and sales management. Available for immediate connection in executive or selling capacity. Box 391, SALES MANAGEMENT, 333 North Michigan Avenue, Chicago, Illinois.

**EXPORT SALES EXECUTIVE, 37; UNIVER-**sity education, fifteen years' experience in foreign sales organization, and management. Extensive travel abroad. Fluent linguist. Interested in associating myself with a manufacturer desiring able, aggressive sales executive to promote foreign business, and all advantages that it offers. Box 393, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### FIELD SALES MANAGER WANTED

**A LARGE, WELL RATED PAINT AND VAR-**nish manufacturer, with a complete line of modern products, has a tough job for a salesmanager who has been highly successful in handling men and opening new dealer accounts. Only a high grade, top notch, master salesman, with ample background of successful experience in merchandising paint products, can qualify. He must travel considerably and know how to produce volume. Our organization is above the average and this is a worthwhile, permanent connection. Sell yourself in your reply, stating age, past earnings and full details of past experience. Box 392, SALES MANAGEMENT, 420 Lexington Avenue, New York.

TORONTO  
MONTREAL  
WINNIPEG  
LONDON, Eng.

**GIBBONS KNOWS CANADA**

REGINA  
CALGARY  
EDMONTON  
VANCOUVER

# C o m m e n t

**A**MERICA'S FIRST DICTATOR: SALES MANAGEMENT inclines to the belief that the time is now here when we all should recognize President Roosevelt as a dictator and accept him as such until such time as his "new deal" can within reason demonstrate its true values. The theory of a dictatorship may not appeal to many Americans and in practice it may prove in some respects even more distasteful. But the very type of opposition being offered—politically and presswise—to the Roosevelt program for recovery seems to force the establishment of an administrative machine with all the efficiency, unity and, if you please, with all the domination which goes with a dictatorship. President Roosevelt has met the rulers of foreign nations, the rulers of private finance, the rulers of private industry, the rulers of labor—and in no single meeting with these or other powerful forces has he emerged "ruled by outside influence." True, he still has Congress in the offing. But with the unlimited capacity possible only in a man destined to be a dictator, he is not so very likely to come out second best. Furthermore, James A. Farley can be "helpful" when it comes to drawing a patronage distinction between deserving Democrats and loyal Roosevelt supporters. In January we should get a good line on whether Congress is now going to begin to overrule the President or whether "Franklin D," with an unprecedented flying start already in his favor, is going to continue in large part to rule Congress. We bet on the man in the White House.

**A**RE THESE PERTINENT QUESTIONS? Is President Roosevelt settling the attitude which employers must take toward labor—or is Secretary of Labor Perkins, who was his lieutenant in New York? Is Secretary of State Hull or was Raymond Moley the master mind in our foreign relations? Or is Roosevelt largely retaining the portfolio relating to foreign affairs? Has Secretary Woodin ever been head of the treasury? Or has Roosevelt always been his own treasury head and is he still retaining this portfolio? Is Secretary Ickes running the public works policies and the oil industry, or is "the Big Chief" the master mind and master hand as regards these activities? As regards the Securities Act, who in Washington has proved he is least afraid of the big bad wolves of Wall Street? Do General Johnson and his deputies really run NRA or (on the basis that NRA is big enough to justify a cabinet member of its own) is the President holding this portfolio too—and with no small amount of ruling on *details*? Who is leading the program to see that *all* banks are brought under a centralized Washington control, regardless of what so-called leading bankers believe or have to say about deposit guarantees or almost anything else? . . . Going on. Do Secretary Wallace and Assistant

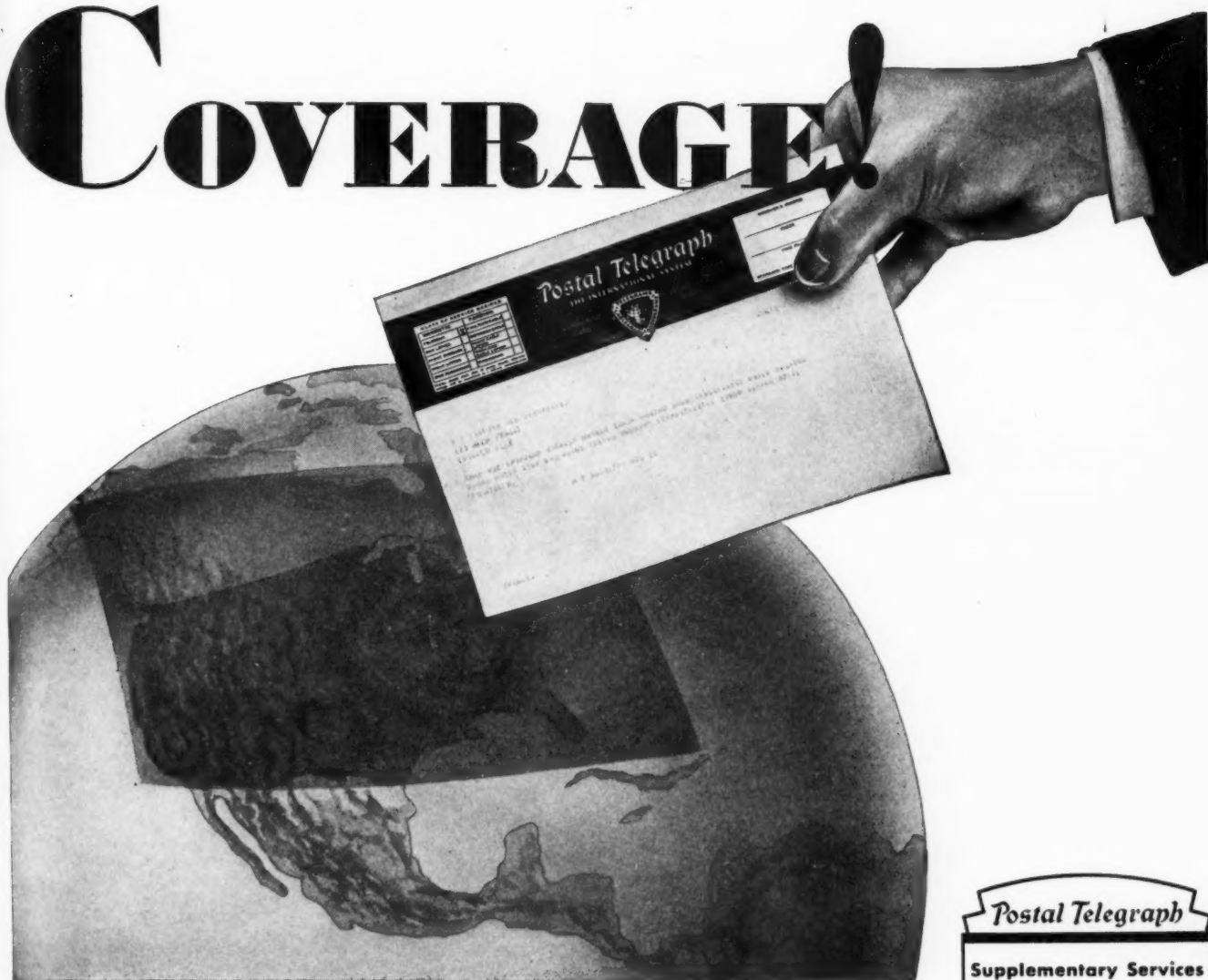
Secretary Tugwell hold the agricultural portfolio, or is the biggest part of this job being done in the White House? Why does the entire publishing and advertising world, not to mention the food, cosmetic and drug industries, worry so about the proposed revision of the Food & Drug Act? (a dictatorship bill if we ever saw one). Is it because normally an Assistant Secretary of Agriculture wields such mighty influence over such an enormous sphere or is it because in the Tugwell Bill they see the hand of the President holding the secretarial portfolio on advertising? . . . Similarly, ask yourself who you think holds *and directs* the portfolios of the Army, the Navy, the Railroads, Alcoholic Beverages, Unemployment, Commerce, Veterans of Wars, Public Relations and Publicity. If there is any such thing as a professorial "brain trust" who is still in it and is it dominating or dominated? . . . Of course, SALES MANAGEMENT does not want to belittle the work of the many highly intelligent, patriotic men who are filling important posts in the Roosevelt administration, but it does seem entirely appropriate to ponder on whether or not (back of and on top of them all) there is not *one* man who is functioning as a *benevolent dictator*.

**T**HE STABILIZATION OUTLOOK: The American conception of a democracy has been proved excellent in theory and practice, yet *in times of a great national crisis* it is very possibly too loosely constructed to be effectively efficient. . . . Of late we have all heard a lot about stabilization—stabilization of such things as dollars, commodity prices, employment and national credit. We shall probably get more stabilization along all of these lines when we get more *stabilization in the public and business state of mind*. And we shall probably do more to stabilize our individual and collective state of mind, if we act on the premise that *not only are we going to have a dictator, but we already have one*. . . . If the American public and American business men subscribe to this premise, then the attitude should become one of giving Roosevelt leadership a full opportunity to demonstrate its weaknesses and virtues in the hope that progressively at least (and without the necessity of recourse to a second or third dictatorship in order to attain the objective of economic recovery) we shall move on to widespread prosperity coupled with happy and ethical living. In short, let's accept President Roosevelt as the dictator he is and let's play ball vigorously and enthusiastically with him unless and until it shall be demonstrated beyond reasonable doubt that he cannot do the super job he has so sincerely, so inspiringly, so patriotically and, last but by no means least, so *promisingly* undertaken to do for us.

Ray Bill



# COVERAGE!



## Postal Telegraph covers this country

● The Post Office Department maintains some 50,000 Post Offices in the United States. But Postal Telegraph accepts messages for delivery in more than 70,000 communities.

Postal Telegraph maintains its own complete commercial telegraph offices in those cities which account for 95% of the telegraph traffic. In small cities, one office; in metropolitan centers, hundreds. Moreover, every office is manned entirely by Postal Telegraph employees and linked directly with Postal Telegraph circuits.

Our facilities are placed where they can serve best in speeding the messages of American business—where they can provide the most accurate, dependable, fast communication that telegraphy can offer. We stretch our lines where business wants them, open our offices where business can use them.

Naturally there are thousands of small communities where no telegraph company maintains an office. But for each and every one of these places, Postal Telegraph ac-

cepts your messages and through its connections transmits them quickly and accurately.

Furthermore, Postal Telegraph service is not confined to the United States. It offers you efficient, economical message communication to the entire world...via the coordinated telegraph, cable and radio facilities of the great International System, of which it is a part. No matter whom your message must reach, nor to what part of the world it may be addressed, Postal Telegraph and its affiliated communication companies always see your message through.

### Postal Telegraph

#### Supplementary Services

Air Express Pick-up and Delivery  
Air Travel Reservations  
Bus Express Pick-up and Delivery  
Bus Travel Reservations  
Circular and Sample Distribution  
Errands and Package Delivery  
Gift and Purchase Service  
Marine Reports  
Money Order Service  
Personal Service Bureau  
Theatre Ticket Service  
Commercial News Reports

Telegrams Direct  
from the Highways via  
Esso and Standard Oil Gas Stations



● Postal Telegraph is the only American telegraph company that offers a world-wide service of coordinated telegraph, cable and radio communications under a single management.

#### THE INTERNATIONAL SYSTEM

## Postal Telegraph

Commercial  
Cables



Mackay Radio

All America  
Cables

# What Does Repeal Mean to California?

## Prohibition Repeal will mean—

more to California than to any other State in the Union. This is because California will profit both from the revival of the WINE industry as well as the revival of the LIQUOR industry.

## Already the advent of beer—

has caused a tremendous increase in hop production on the Pacific Coast, with its millions of dollars of additional revenue to California.

## Next year approximately—

60,000,000 gallons of California trademarked wine will be sold to the American Public, and it is authoritatively estimated that \$5,000,000 will be spent by California wine producers for advertising in 1934.

## No National Advertiser or Advertising Agent

should miss the tremendous market possibilities represented by this great increase of buying power in the California market.

*—and the largest daily newspaper in the largest city in California is The Los Angeles Evening Herald and Express. With a circulation of 263,563, concentrated 96% in Los Angeles and Suburbs, it is the ideal key medium for any Southern California advertising schedule.*

LOS ANGELES EVENING  
**HERALD AND Express**

NATIONAL REPRESENTATIVES

PAUL BLOCK AND ASSOCIATES

NEW YORK

CHICAGO

BOSTON

LOS ANGELES

DETROIT

SAN FRANCISCO

PHILADELPHIA

